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ESTABLISHED 1887

Mafia Killings Distress Italy And Recast the Agenda of New Government

By Alan Cowell
New York Times Service

PALERMO, Sicily—The people came Monday in their cars and on their scooters to gaze upon the Mafia's handiwork, as they had been drawn before in fascination at the familiar signature of the mob: the shattered glass, the torn shutters and the sense that the killing had been simply too quick, slick and ruthless to avoid.

And, as they gathered in the sunlight where Paolo Borsellino, Palermo's chief public prosecutor, and five bodyguards were torn apart on Sunday by a bomb, some were silent, some enraged, and some saw it as one more offer no one could refuse.

Just as Italy seemed to be emerging from political crisis to confront economic woes, the Mafia had recast the nation's agenda, throwing down a scornful challenge to Prime Minister Giuliano Amato only weeks after he took office, and taunting him to show whether he could succeed where others have dismally failed.

"The Mafia has made its point," said an investigator, speaking on condition of anonymity. "Either we give up or there will be no peace."

It was a message that was heard throughout the land. The lira and stocks fell in Milan. Bodyguards here spat in disgust on Italy's police chief, Vincenzo Parisi, demanding justice from a state they said was infiltrated by the mob. Mr. Borsellino's family snubbed the authorities, turning down the offer of a state funeral.

"Democracy does not reign in this city," said Aldo Rizzo, the mayor of Palermo, the Mafia's redoubt, where officials either kneels to the mob or perishes, where the good guys' victories often prove Pyrrhic.

Mr. Borsellino and his bodyguards were killed as he arrived for a Sunday visit with his mother and sister in a high-rise apartment block. Tipped to head a new super-agency to hunt the Mafia, he was the second figure of such stature to die within two months, following the May 23 assassination of Judge Giovanni Falcone, his wife and three bodyguards. Judge Falcone also had been expected to lead the anti-Mafia agency.

The two sets of killings raised the same question: If, as many legislators assert, Italians are clamoring for a moral revolution, how can that come about when, effectively, this island has set itself apart from the rest of the land as a fortress of narcotics-funded organized crime?

And if this moral revolution is to take place, what will become of the unwritten compact that many Italians suspect has tied the mob to politicians with bonds of payoffs and patronage for years?

Mr. Amato, a Socialist known more for his political finesse than an iron fist, gave one clue overnight that he planned a tougher approach. Army units cordoned off Palermo's main prison on 55 imprisoned mobsters, including the senior bosses Michele Greco and Francesco Madonia, were flown out of Sicily to be dispersed.

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MAGIC IN MONACO — Magic Johnson practicing Monday as the U.S. basketball team prepared for the Olympics. Page 15.

World Markets Slide As Gloom Widens

Local Factors Play Role, Frankfurt and Tokyo Hurt Worst

By Lawrence Malkin
International Herald Tribune

NEW YORK — Stock markets around the world retreated in a minor panic on Monday as investors and money managers woke up to the gloomy international economic outlook and the difficulties facing any government trying to turn it around.

The selling wave took several percentage points off values in Tokyo and Frankfurt and pulled down most smaller Asian and European markets before it broke across and lost most of its force on Wall Street, which was also lower but by less than 1 percentage point. Few Wall Street analysts saw a serious possibility of collapse, but nobody saw a bull market, either.

The Dow Jones industrial average slid about 40 points in the morning, then crept and closed at 3,303.00, down 28.64. The broader market indexes also were down as declines led advances by a ratio of more than 3 to 1. Volume was moderate, at about 163 million shares.

Factors ranging from high German interest rates to the Mafia's latest attack in Italy to a collapsing dollar all played local roles in the worldwide sell-off, but no single concrete factor could be applied to all markets.

In the rare situations where authorities were able to counteract the trend, they did. On Monday, central banks cooperated to bolster the dollar by at least 3 percent against the Deutsche mark, but how much this can help in the long run is uncertain. On Tuesday, Alan Greenspan, the Federal Reserve Board chairman, gives his semiannual report to Congress, and he will be under election-year pressure to continue lowering interest rates, one of the main causes of the dollar's decline and the stock market's strength this year.

The malaise seemed more deep-seated than could be explained by economic factors or even market techniques, because "the general outlook seems to be darkening everywhere," said Hugh Johnson of First Albany Securities, who has just returned from a trip to Europe.

"Most policy-makers have backed themselves into a corner, with not much left to get themselves out of it," Mr. Johnson said. "It's hard for the Fed to do much more without threatening the dollar. It's hard for the Germans to ease money without damaging their credibility. In Japan, for the first time in the memory of the authorities, things seem suddenly out of their control, and they recognize that the financial system is bigger than they are."

Japan's main share index, the Nikkei average, plunged 663 points, or 4.01 percent, to 15,884.48. Some technical analysts repeated their predictions that the Nikkei could fall to 13,000, even though it has already lost 60 percent of its value since the financial bubble burst in Japan at the end of 1989.

A major depressant was the Japanese government's inaction in dealing with the economy. Toranobu Suga of Lehman Brothers said, "The government's view of the seriousness of the economy and the stock market is entirely different from the investors' view."

Elsewhere in Asia, Hong Kong's Hang Seng Index dropped 2.3 percent on local concerns over trade relations with China and the United States; Taiwan's index dropped 2.4 percent on investors' anxieties, and economic pessimism drove Sydney down 1.5 percent, its largest drop in three months.

Germany's DAX index closed down 52.99 points, at 1,649.67. The plunging dollar played a major role in the 1.1 percent drop, which followed a 2 percent decline on Friday, set off by the Bundesbank's decision to raise bank lending rates. But intervention to support the dollar, as well as Wall Street's moderate response, had an immediate effect. Stocks rebounded in after-hours trading and pushed up.

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Central Banks Rescue Dollar As It Nears Record Low

By Tom Redburn
International Herald Tribune

PARIS — Central banks intervened in concert on Monday to halt the slide of the dollar just above its record low against the Deutsche mark.

A barrage of dollar buying pulled the U.S. currency up more than 4 percent from its low, but analysts are divided over whether the gains will last.

The Bundesbank and the Federal Reserve Board orchestrated a wave after wave of dollar buying in currency markets, dealers said, jumping in at slightly above 1.45 DM to the dollar for the first round of intervention. The central banks, joined by those in Britain, Switzerland, Belgium, Spain, Italy and Portugal, followed with a second round of coordinated currency action at just under 1.48 DM.

That spurred a frenzy of dollar trading that pushed the dollar above 1.48 DM. The Fed then hit the markets a third time on its own, dealers said, propelling the U.S. currency above 1.49 DM.

At the close of New York trading, the dollar was at 1.4935 DM, up from its close of 1.4593 DM on Friday.

Earlier, the dollar had fallen as low as 1.4463 DM, barely above the record closing low of 1.4330 DM in February 1991.

While the White House has generally displayed little concern about a weak dollar, arguing that an undervalued currency helps bolster U.S. exports, it may be starting to dawn on U.S. officials that allowing the currency to hit a historic low could have serious political ramifications for President George Bush's re-election prospects.

"For George Bush, this would be the worst possible symbol of everything that has gone wrong with the American economy," said Jeffrey Bell, president of Lehman Bell Mueller Cannon, a Washington-area economic and political consulting firm with close ties to conservatives. "Letting the dollar go below its postwar lows would send all kinds of damaging political signals."

The dollar has been under relentless pressure in recent weeks, undermined by the wide gulf between U.S. and European interest rates and then battered by the apparent inability of the U.S. economy to escape from the doldrums.

Treasury Secretary Nicholas F. Brady set the stage for the latest decline by suggesting after the Group of Seven summit meeting in Munich that the U.S. administration was unconcerned about the dollar's decline. As the Bundesbank moved to raise its discount rate last Thursday, the wider spread between low interest rates in the United States and high rates in Europe produced another rush out of the dollar into marks and Swiss francs.

Some analysts, though, now see signs that the dollar may have hit bottom. "I think the central

See DOLLAR, Page 10

U.S.-Israel Deal Is Near on Guarantees

By John M. Goshko and David Hoffman
Washington Post Service

JERUSALEM — The United States and Israel are moving to ward quick resolution of Israel's request for \$10 billion in U.S. loan guarantees, and President George Bush could announce his support when Prime Minister Yitzhak Rabin visits Mr. Bush in early August, a senior U.S. official said Monday.

"We're hopeful we're going to be able to resolve this," said the official, who is accompanying Secretary of State James A. Baker 3d on his five-nation Middle East tour.

"But it's important to emphasize it's not finalized yet." Israel needs financial help to absorb thousands of immigrants from the former Soviet Union. But the bid for U.S. assistance by the former prime minister, Yitzhak Rabin, founded when his government rejected U.S. linkage of the guarantees to a freeze on Jewish settlements in the Israeli-occupied West Bank and Gaza Strip.

The United States believes the settlements are an obstacle to the Middle East peace process, which Mr. Baker is trying to invigorate on his tour of the region. At the same time, Mr. Bush's re-election campaign is in deep trouble and the administration is struggling to improve its standing with U.S. Jewish voters after months of tension over its fight with Israel over the guarantees.

But although Mr. Rabin has said that Israel will continue some settlements activity for security purposes, he has taken the first steps toward curbing the large-scale construction launched by the Shamir government that was intended to flood the territories with Jewish settlers.

Hanan Ashrawi, spokeswoman for the Palestinian delegation to the peace talks, said that it was not yet

clear how far-reaching these curbs on settlements would be. She said the Palestinian delegation did not accept Mr. Rabin's distinction between "political" settlements, referring largely to those set up by the Shamir government, and "security" settlements, those in the Golan Heights, the Jordan Valley and around Jerusalem.

However, Mrs. Ashrawi left open the possibility that the Palestinians would not object to the guarantees if the United States could be sure the money would not be used for settlements.

Speaking after Mr. Baker's meet-

See ISRAEL, Page 2

Secret CIA Escalation in '85 Tipped Afghan Balance

By Steve Coll
Washington Post Service

WASHINGTON — A specially equipped C-141 Starlifter transport carrying William J. Casey touched down at a military base south of Islamabad, Pakistan, in October 1984 at the start of a secret strategy-planning visit by the CIA director for the war against Soviet forces in Afghanistan.

Helicopters lifted Mr. Casey to three secret training camps near the Afghan border, where he watched mujahidin fire heavy weapons and make bombs using plastic explosives and detonators supplied by the Central Intelligence Agency.

During the visit, Mr. Casey started his Pakistani hosts by proposing that they take the Afghan war into enemy territory — into the Soviet Union itself. Mr. Casey wanted to ship subversive propaganda through Afghanistan into the Soviet Union's predominantly Muslim southern republics. The Pakistanis agreed, and the CIA soon supplied thousands of Korans, as well as books on Soviet atrocities in Uzbekistan and tracks on historical heroes of Uzbek nationalism, according to Pakistani and Western officials.

"We can do a lot of damage to the Soviet Union," Mr. Casey said, according to Mohammed Yousaf, a Pakistani general at the meeting.

Mr. Casey's visit was a prelude to a secret Reagan administration decision in March 1985, to sharply escalate U.S. covert action in Afghanistan, according to Western officials.

Abandoning a policy of simple harassment of Soviet occupiers, the Reagan team decided secretly to let loose on the Afghan battlefield an array of U.S. high technology and military expertise in an effort to hit and demoralize Soviet commanders and soldiers.

Mr. Casey saw it as a prime opportunity to strike at an over-extended, potentially vulnerable Soviet empire.

Eight years after the Casey visit, the Soviet Union is no more. Afghanistan has fallen to the heavily armed, fratricidal rebels. The Afghans themselves did the fighting and dying — and ultimately won their war against the Soviets — and not all of them laud the CIA's role in their victory.

But even some sharp critics of the CIA agree that in military terms, its secret 1985 escalation of covert support to the mujahidin made a major difference in Afghanistan, the last battlefield of the Cold War.

How the Reagan administration decided to go for victory in the Afghan war between 1984 and 1988 has been shrouded in secrecy and clouded by the sharply divergent political agendas of those involved. But with the triumph of the rebels over Afghanistan's leftist government in April and the demise of the Soviet Union, some intelligence officials involved have decided to reveal how the covert escalation was carried out.

The most prominent of these former intelligence officers is General Yousaf, the Pakistani

See CIA, Page 2



Radenka Otkazovic, a 22-year-old Serb, weeping in her Sarajevo jail cell after she was captured with a rifle.

Kiosk

Bush Assails Serbia Leader

NICOSIA (Reuters) — President George Bush said in a letter to the Organization of the Islamic Conference that President Slobodan Milosevic of Serbia was personally responsible for "much of the violence" in Bosnia-Herzegovina.

The message to the organization's chairman, Hamid Algabid of Niger, pledged that the United States would continue its efforts to end the bloodshed. The Jidda-based organization released the letter Monday.

Meanwhile, European Community foreign ministers called for the expulsion of Yugoslavia from all world organizations. (Page 2)

Business/Finance

Kevin Maxwell was sold to pay \$406.5 million in connection with securities missing from pension funds. Page 9.

Siemens profit rose 8 percent in its three quarters. Page 11.

Hands Across the Border U.S. Will Test a (Manual) Scanner To Shorten the Waits at Immigration

By Al Kamen
Washington Post Service

WASHINGTON — International travelers: Worried about immigration hassles at the airport because, with that new beard or dyed hair, you no longer look like your passport picture? There is help on the way. The U.S. Immigration and Naturalization Service says it will look at your hand — not your picture — under an experimental program designed to cut down on long lines at international airports, where clearance can take 45 minutes or more.

Under the program, scheduled to be tested this fall, arriving passengers will slide an identification card through an automatic reader, put one hand into a bony scanning device and walk through immigration facilities.

Ideally, the process can be completed in about six seconds. But the Immigration and Naturalization Service would be happy if each passenger passed through in about 30 seconds, said the associate commissioner, James A. Puleo.

That would be about half the time it now takes to process an American and one-fourth the time it can take for some visitors from other countries.

The \$700,000 experimental program, which will be tested initially at John F. Kennedy International Airport in New York and at the Newark, New Jersey, international airport, probably will enroll about 50,000 frequent international business travelers from the United States, Europe, Japan and Canada, officials of the agency estimate.

Business people who traveled to the United States three times in the last year are eligible to apply.

Travelers will record certain basic physical characteristics, such as finger size, distance between joints and hand width; this information, in turn, will be recorded on magnetic identification cards that travelers will use to activate the scanners.

Travelers can enroll at no cost and will be subjected to a clearance check, officials of the agency said.

Other countries, such as the Netherlands, are experimenting with a similar system using fingerprints, rather than hand scans, but the agency and the airline industry officials thought that such a system, with connotations of criminal investigation, would not be well received by the public.

The system that is to be tested is cheaper and faster than others, Mr. Puleo said, and has been used by intelligence and drug-enforcement agencies for security screening for small group of people.

The airline industry favors automated airport inspections.

"We support this strongly because it satisfies government's needs for identification of travelers, but it would vastly speed up the amount of time each traveler would have to spend" going through immigration procedures, said Ric Norton, senior director for the Air Transport Association.

An estimated 40 million people enter the United States for business or pleasure each year, Mr. Norton said. Industry analysts expect that number to double by the year 2000, swamping current installations. Facilities will have to be expanded greatly or many more immigration officers will have to be hired, Mr. Norton said.

Japan's 'Dream' Workplace for Not-So-Dream Jobs

By Andrew Pollack
New York Times Service

KANDA-MACHI, Japan — Make way for Nissan Human Land, as a company brochure describes the Nissan Motor Company's newest factory.

Here workers toil not in the assembly plant or paint shop, but happily report to the assembly or painting divisions. They walk along Palm Street and over Flamingo Bridge. And they eat in an employee cafeteria called the Harbor View Restaurant, with a panoramic view of loading docks.

These attempts to create what Nissan officials call a "dream factory" attest to a serious problem. At a time when thousands of autoworkers in the United States are losing

their jobs, Japan's world-beating car companies cannot find enough people to fill their factories.

With Japan's rising prosperity, it seems, young people are shunning assembly-line work, which is monotonous, fast-paced and tiring.

The young tend to favor jobs in service industries and to avoid manufacturing jobs that are characterized by the three Ks: *kiken*, *kitai* and *kitanai* — dangerous, difficult and dirty.

"Japanese are spoiled people nowadays," said Haruo Shimada, a professor specializing in labor economics at Keio University.

While the economic downturn here has eased the labor shortage in recent months,

auto industry executives expect the problem to continue.

As a result, companies like Nissan are trying to create "friendly factories" that will be easier for workers or will at least improve the image of auto factory work. "We are trying to make the work as fun as possible," said Shinichi Arizumi, general manager of the Nissan plant, which opened in May.

The facility is highly automated and has done away with the traditional conveyor belt. Each car sits on its own dolly, which can be raised or lowered at each work station so that workers do not have to bend or stretch as much.

"At the end of the day there are much fewer cases of muscle aches and backaches," said

Katsutoshi Aihara, general secretary of the All Nissan Motors Workers Union.

But he added: "It's not an amusement park, it's an automobile factory. There is still demanding work that requires muscle power, and workers still are bound by the clock and have to work at considerable speed."

At another factory, Nissan is experimenting with a "silver line" — a heavily automated assembly line that makes work easier for workers over 50, allowing for recruitment from Japan's rapidly aging population.

And Mitsubishi Motors is allowing workers in its dormitories, where many unmarried employees live, to have their own tiny rooms.

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The Dollar in New York	
DM	1.4935
Yen	125.48
FF	5.04
Dow Close	
3303.00	Down
28.64	

CAMPAIGN '92 /

ELECTION NOTES

Candidates' TV Ads to Show Aborted Fetuses

WASHINGTON — Congressional candidates in at least 10 states say they plan to televise advertisements featuring photographs of bloody fetuses, after an Indiana Republican won his congressional primary in an upset with the help of such graphic anti-abortion ads.

Republicans to Target Gore on Environment

NEW YORK — Democratic heavyweights have made much of their belief that the vice presidential candidate, Al Gore, will help the ticket by bringing expertise in two areas where the presidential nominee, Bill Clinton, is weak: foreign policy and the environment.

Quota-Unquota

President Bush on Monday: "I didn't listen — I've got to confess to you guys — I did not listen to the Democratic National Convention. I was fishing, and I suppose I could have turned on a radio, but I just didn't feel inclined to do it."

Clinton Prescribes Health Program as Balm for Economy

WILMINGTON, Ohio — Bill Clinton promoted himself Monday as the man to tackle the nation's rising medical care costs, saying the economy needs a national health program.

The Democratic presidential nominee also said that President George Bush, who is revising his economic recovery program, was offering "too little too late."

"We are hiring clerks in hospitals at four times the rate we are hiring nurses," he said. At the same time, he said, U.S. health care premiums are driving up the costs of manufactured goods.

Clinton plan calls for controlling costs through insurance reform and other steps, requiring businesses to insure their employees and phasing in public programs to cover other people.



Bill Clinton and his Democratic running mate, Al Gore, right, admiring the corn on the Ohio farm of state Senator Eugene Barstow.

'Murphy Brown' Will Take 'Revenge' on Quayle

By Bill Carter

LOS ANGELES — "Murphy Brown" will seek revenge on Vice President Dan Quayle in the opening episode of the hit CBS comedy series next September.

In a special hour-long story, she said, the series will respond to the vice president's charge that Murphy Brown, the fictional anchor of a television news magazine show, is symbolic of the denigration of American family values by what Mr. Quayle has called a "cultural elite" in Hollywood.

No one connected with the show would specify what the show would say about Mr. Quayle, but Ms. English labeled the episode "Murphy's Revenge."

The vice president said in May that the Murphy Brown character "mocks the importance of fathers" because she bore a child out of wedlock in the concluding episode of this past television season.

unmarried mothers reflected a hypocritical inconsistency with the Bush administration's abortion policies.

Ms. English said she had issued an open invitation to

The TV series will respond to the charge that the fictional television news anchor is symbolic of the denigration of American family values by a "cultural elite" in Hollywood.

debate the issue with Mr. Quayle, "anytime, anywhere," but had received no response.

Ms. English, who had also been the executive producer of the series, left "Murphy Brown" after last season, in which the series was consistently among the five most popular shows on American television.

She said that Mr. Quayle would "absolutely be mentioned by name" and that the response would be in no way subtle.

David Beckwith, the press secretary to the vice president, said that Mr. Quayle's attack had not been against single mothers.

"The genius of the Hollywood elite," Mr. Beckwith said, "is to twist what he said to try to get people to believe their version of what he said."

Mr. Beckwith said: "She's accusing us of being political and then her show is going to come back at us with a political comment. If they weren't feeling the heat they wouldn't be responding the way they are. She sees a commercial advantage in doing this."

As for Ms. English's challenge to debate the vice president, Mr. Beckwith said, "She's delusional."

Perot as 'Kingmaker'? No Way, Ex-Manager Says

Compiled by Our Staff From Despatches

NEW YORK — Ross Perot is finished as a major factor in American politics this year and is in no position to determine the choice of the next president, his former campaign manager said Monday.

Edward J. Rollins, who quit the Perot campaign last week just before the Texas billionaire withdrew from the race, said Mr. Perot was very naive about American politics.

Following his withdrawal, Mr. Perot said he wanted to form his own supporters into a force that would tip the balance between George Bush and Bill Clinton in the election.

Asked on television whether he thought Mr. Perot could "play kingmaker," Mr. Rollins, who also managed Ronald Reagan's 1984

campaign, said, "I don't think he has that option."

"I think there's hundreds of thousands of people who believed in change, and they went to work for him, and they worked very, very hard. Obviously, in many cases, much harder than he did," Mr. Rollins said.

"I don't think he is a big factor in American politics," Mr. Rollins said. Although Mr. Perot's name will be on some state ballots in November, Mr. Rollins said, "I think his supporters will go pick some other candidate."

"Or, unfortunately, many of them may be disillusioned by the process and may not participate," he added.

Mr. Perot had held two meetings in Dallas with 40 of his state coordinators to discuss a way of forming

his backers into an effective electoral bloc. Mr. Rollins did not attend the weekend sessions.

At the end of the Dallas conference, held out of public view, Mr. Perot's backers were confused and still groping for ways to harness the political energy he inspired.

Mr. Perot met with the volunteers twice after saying Friday on television that he would "support them any way I can or play any role they want me to."

He spent much of a nearly three-hour session Sunday explaining that his offer did not include reconsidering a race for the White House, participants said.

"It was a downer," said Cliff Arnebeck, a Perot organizer from Columbus, Ohio.

Several other volunteers dejectedly left after Mr. Perot departed

the session, refusing to talk with reporters. Others said they would try to stick together and planned to draft Mr. Perot for president.

"I think there's an amazing amount of support out there for Mr. Perot and his effort, but it's bigger than any one of us," said Orson Swindle, the coordinator from Honolulu, who was designated spokesman for the group.

The volunteer leaders agreed to continue working on a state level and stay in touch with one another while trying to organize nationally.

Mr. Perot promised financial help to organizations in states that have not yet put his name on the Election Day ballot, a move that leaves open the possibility of entering the race later.

The 24 states where Mr. Perot has qualified for the ballot will have to do their own fund-raising, the volunteers said.

There was confusion whether or how an issues platform could be developed.

For instance, Mr. Bishop said Mr. Perot planned to publish a book about research on issues undertaken by his former staff. But Mr. Swindle said there was no discussion of such a book.

Another volunteer, Donna Gilbert of Fairbanks, Alaska, said the group talked about supporting line-item veto, a balanced budget and steps to encourage voting.

"The people are the power here. Now you have to keep them moving," she said.



DRIVING AMBITION — Hillary Clinton getting ready to bash one down the fairway of a miniature golf course in Carlisle, Pennsylvania, as she and her husband, Bill, continued their post-Democratic convention tour of Eastern bustings.

Away From the Hustings

A prototype of the tilt-rotor fixed-wing V-22 Osprey crashed short of a runway near the Marine Corps Air Station at Quantico, Virginia, and all seven people aboard were feared dead.

New Jersey dropped plans to introduce salmon into its rivers in the face of opposition from sport-fishing groups who feared an ecological disaster. The state had hoped to introduce Pacific salmon to the Delaware River watershed in the hope of creating a multi-million-dollar sport fishery.

Half the heavy trucks on U.S. highways have brake problems, according to a federal study, a Detroit newspaper reported.

Unpaid bills totaling \$200 million owed to civilian grocers and vendors around the nation were found by military inspectors at Kelly Air Force Base in Texas and at Fort Lee in Virginia.

Street conditions in New York City have worsened in the last year, in some cases becoming dangerous to motorists, because of drastic cuts in the city's budget for street repair and maintenance. Some community leaders charge that the remaining money is unfairly allocated.

Mercury levels in the Florida Everglades are increasing substantially but scientists are not sure where the element is coming from, a University of Florida study said.

About 100 women vowed to march to protest against innocent exposure laws, drawing a crowd of about 3,000 men, some carrying video cameras, to watch. Only about four of the 100 women demonstrators actually took off their tops.

Three earthquakes struck California's Mojave Desert in the space of 10 hours and probably were related to a major tumbler three weeks ago, officials said. Later, several small quakes were felt in Yellowstone National Park in Wyoming.

Head to Head, Clinton Takes 2-1 Lead Over Bush in a Poll

By Richard Morin and Dan Balz

WASHINGTON — Growing confidence in Bill Clinton's ability to handle the economy and shake up the U.S. government, combined with a week of virtually nonstop good news have propelled the Arkansas governor into a 2-1 post-convention lead over President George Bush, according to a Washington Post-ABC survey.

But the combination of economic anxiety and voter disaffection sets the stage for a turbulent general election campaign over the next four months.

At the moment, both conditions appear more helpful to Mr. Clinton than to Mr. Bush. Yet, given the

history of post-convention bumps and the volatile nature of this political year, it is unlikely that Mr. Clinton's glow will burn as brightly as the Nov. 3 election approaches.

An intriguing finding by the poll is that a majority of all voters — and even a majority of all Republicans — would approve if Mr. Bush, facing crucial decisions about his campaign strategy, were to drop Vice President Dan Quayle from the ticket, with a plurality of voters saying that is what Mr. Bush should do.

The Post-ABC survey found Mr. Clinton with a 29 percentage-point lead over Mr. Bush. The Democratic challenger, who only a month ago was running third behind Ross Perot and Mr. Bush, claimed the

support of 58 percent of those questioned while Mr. Bush was favored by 29 percent, with 13 percent undecided.

Among those most likely to vote, Mr. Clinton led by a similarly large margin of 58 percent to 30 percent.

A total of 714 registered voters were interviewed July 17-19. Margin of sampling error for the overall results was plus or minus 4 percentage points.

Mr. Clinton has benefited from two events. The well-staged Democratic convention in New York and Mr. Perot's sudden withdrawal sent the problems of the average American, a similarly lopsided majority said Mr. Bush was out of touch with common people.

Mr. Clinton also appears to have

answered questions about his character, an issue Republicans are certain to raise in the fall campaign.

According to the poll, 6 out of 10 voters said Mr. Clinton had the "honesty and integrity to serve effectively as president," about the same percentage as expressed that view of Mr. Bush. In March, only 4 out of 10 voters expressed confidence in Mr. Clinton's honesty and integrity.

Vice President Quayle's standing with the public also has taken a battering in recent weeks, with his widely satirized "potato" spelling gaffe getting laughs for many Democratic speakers at last week's convention.

According to the survey, 63 percent of those surveyed said they

had an unfavorable impression of Mr. Quayle, up from 54 percent in June, the first time that the vice president's unfavorable rating has topped 60 percent.

A plurality of voters (46 percent) said Mr. Bush should drop Mr. Quayle from the ticket to 40 percent, who said he should remain among Republicans, almost 6 in 10 (58 percent) said Mr. Bush should keep Mr. Quayle, while roughly third (32 percent) said he should be dumped.

Evidence of Mismanagement by Biggest U.S. Health Insurers

By Robert Pear

WASHINGTON — For nearly a half-century, Blue Cross and Blue Shield has enjoyed a reputation as a well-run, nonprofit network serving as the largest source of private health insurance in the United States.

But in recent weeks, federal investigators and state regulators have uncovered evidence of questionable business practices, ranging from the destruction of unpaid checks and the creation of fictitious prescriptions, to the formation of subsidiaries without state approval and the payment of high salaries and pensions to top executives of plans that are nearly insolvent.

State regulators said such practices are partly responsible for the financial problems

confronting some of the nation's Blue Cross and Blue Shield plans. Federal officials and other experts warned that at least a dozen of the 73 Blue Cross and Blue Shield plans face serious financial problems.

Bernard R. Tresnowski, president of the national Blue Cross and Blue Shield Association, said that 15 of the plans were on a watch list and "are being monitored because they don't meet our standards for financial reserves." He refused to identify the 15.

Senator Sam Nunn, Democrat of Georgia and chairman of the Senate Permanent Subcommittee on Investigations, which has been looking into the network, estimates that at least 20 of the plans have financial problems, as measured by the association's own standards.

Blue Cross and Blue Shield officials insist that none of the plans is near insolvency.

Blue Cross and Blue Shield plans cover 68 million people across the country, with at least one plan in each state. Blue Cross originally paid for hospital care, while Blue Shield paid doctors, but they are now consolidated in many states. Most help administer Medicare, paying claims on behalf of the government to more than 30 million elderly and disabled people.

Blue Cross and Blue Shield plans differ from other insurers because any surplus remaining after the payment of claims and expenses must be set aside in reserves to help pay future claims. As nonprofit operations, they do not issue stock or pay dividends. They were exempt from federal income taxes

until 1986, but Congress lifted the exemption after it concluded that many behaved like profit-making insurance companies.

Mr. Tresnowski said that state regulators were partly responsible for the problems of the Blue Cross and Blue Shield plans. Under political pressure, he said, they often refused to allow the rate increases needed to build up the companies' reserves. He added that commercial insurers often skimmed off young healthy customers, leaving Blue Cross and Blue Shield with the high-risk clients.

But state regulators said many of the problems of Blue Cross and Blue Shield stemmed from efforts to branch out into commercial businesses in which they have little experience.

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INTERNATIONAL **Herald Tribune**

Sacrifices for Growth

Bill Clinton and the Democrats are dead right about one thing: The state of the American economy needs to be a central issue in this campaign. The economy's output and the number of jobs are both slightly higher now than when President George Bush took office, but they have not kept up with the steady increase in the population. That is why unemployment is up and output per capita is down compared with last inauguration day. The real cause for concern is not the recession that ended more than a year ago but rather the very slow and uncertain recovery from it.

The trouble did not start with Mr. Bush or, for that matter, with Ronald Reagan. The country has been on a track of slower and slower growth for two decades. The causes run far deeper than the quarreling between the White House and Congress to which Mr. Bush likes to point. One reason was the end of the era of cheap oil. Another, more important, was the end of the era of American dominance of the world economy and of the stability of the dollar. Another has been an economic evolution that puts opportunity at levels of technology and sophistication that millions of poorly educated Americans cannot reach. That is not going to be reversed overnight, and it is not going to be done without sacrifice.

Big Stakes in Russia

The second Russian revolution is progressing only by fits and starts. Its leaders, however bold, will not be able to take many steps forward without taking some steps back. The risk of a relapse in Russia calls for clarity about America's commitment to assist Russian reform.

Andrei Kozyrev, Russia's foreign minister, warns of the danger from disgruntled generals who manipulate ethnic conflicts to undermine the Yeltsin government. The risks are apparent in Moldova, where Russia's 14th Army sides with Russian separatists against the Romanian majority and resists Mr. Yeltsin's order to withdraw.

Picking On Foreign Aid

The Democrats earlier this year tried but failed to avert the mild domestic spending cuts that the budget agreement implies by cutting defense instead, using defense savings to round out domestic programs instead of to reduce the deficit. It was a good idea, a chance to apply a social Band-Aid without making the fiscal situation worse. But defense or, in the alternative, deficit reduction turned out to have more support and domestic spending less than Democrats thought.

The Democrats urged the shift of these funds to the highway program partly to lock them up, on grounds that otherwise the administration was all too likely to prevail on a willing Senate to restore the military funding. The real-world choice, they said, was not between using the money for outward versus forward-looking foreign aid, but between wasting it on unnecessary aid or using it for needed highways. The House voted over Republican opposition (but not by a veto-proof margin) to build the roads.

Other Comment

Poor, Sovereign Slovaks
The right to self-determination of national groups proclaimed at the end of World War I, is rightly held in high esteem today by the international community.

They will think about Vaclav Havel's warning. But it will be too late.
— *Berliner Morgenpost (Berlin)*

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No, America Doesn't Have to Go Under

By Felix Rohatyn

NEW YORK — A remarkable thing has happened in the past few years: The collapse of communism and the victory in the Gulf, which represent a spectacular victory for the values and the power of the West, were immediately followed by a collapse of American confidence and self-reliance. This reaction is at least partly the result of general acceptance of two myths.

A more active government role is an absolute necessity. It is also necessary to raise significant new revenue. Both ends are within the country's capacity.

The first is the myth of government incompetence and incompetence. The second is that the United States is broke. America's problems are not unsolvable. They are the direct result of failure to adapt to the competitive requirements of a global economy. America has not invested adequately in new time, a national administration elected on the basis of a specific recovery program and able to put the program into effect. This is important from both domestic and foreign policy points of view. There is no dividing line between domestic and foreign policy today. The United States has to maintain a global position in which its national security strength is directly related to its economic power and to social cohesion at home.

In South China Sea, Worrying Noises From Beijing

By Philip Bowring

HONG KONG — A shot from China on a remote South China Sea shoal has echoed around Southeast Asia. It has stirred leaders who have long slumbered under the U.S. security umbrella, where the only bad dreams were of a repeat of Japanese military occupation. But the region must get used to viewing Japan less as a potential aggressor than as a protector of the smaller nations of the region against China.

China Sea claimed by Vietnam. The area is southeast of Ho Chi Minh City, roughly one-third of the way between Vietnam and eastern Malaysia, but about 1,500 kilometers from China.

The Spratly dispute is usually treated as being about oil rights. There is oil under this shallow sea, but most experts say it is present in relatively small quantities, significant perhaps for Vietnam and the Philippines but fairly marginal for China. The alarming part of China's claim is that it encompasses virtually the whole of the South China Sea. It is not a claim, like Britain's over the Falklands or America's to Guam, for some isolated pieces of real estate. Beijing regards the South China Sea as a Chinese lake. The shoal markers and the exploration concessions are the movements of pawns in a strategy to enforce Beijing's claim that Chinese territory extends over the whole sea, encompassing shoals as close as 35 kilometers from the east Malaysian state of Sarawak.

Recently enacted Chinese law not only claims as Chinese all the islands, banks and shoals in the South China Sea, it defines the surrounding sea as "inland waters." The law stipulates that nonmilitary vessels have rights of passage but that military or nuclear-powered ships cannot pass without permission from China.

For now, this is just loudmouthed nonsense. The United States, for example, is not about to ask Beijing's approval to move ships from the Philippines to Singapore. But as a claim, it is alarming to the Southeast Asians. It is equally alarming to Japan. Apart from the now diminished Russian threat, Japan's main security concern is the sea routes that form its trade lifeline. As a result, much of its defense buildup, undertaken largely at Washington's insistence, has been of naval capacity. The security of South China Sea lanes, through which much of Japan's oil passes, is vital. These lanes could easily be disrupted.

Of course, China has no plans to do so. But Beijing clearly wants to use its historical claims, whenever possible, to enhance its strategic position. It should be remembered that China has the world's third-largest submarine force. Military spending cut-backs have barely affected the Chinese Navy. And for all its talk of seeking peaceful solutions, China has resorted to armed force twice in the past 17 years to remove Vietnamese from islands in the South China Sea. Despite the impending departure from Subic, the United States will remain the dominant naval force in the Western Pacific for at least the next few years. Provided the U.S.-Japan alliance holds, China is likely to move cautiously. But even now, voices in the region are asking why a U.S. ally is adding respectability to Chinese claims. Presumably Washington gave the green light at some point. Was this out of spite to Vietnam? If so, it may prove shortsighted.

Tensions Are Mounting in the Spratlys

By Clare Hollingworth

PARIS — The Spratly Islands in the South China Sea have become a diplomatic and military hot spot. Tensions over sovereignty in the large and widely scattered island group, known to be rich in oil deposits and natural gas, are rising. The islands lie astride the main sea route from Japan to the Indian Ocean.

At about the same time, in February, the Chinese parliament reaffirmed China's sovereignty over the Spratly group, claiming that it had been Chinese "since ancient times." Beijing promised to protect engineers and drillers working in the disputed waters. Relations between Hanoi and Beijing have suddenly become tense, despite the opening earlier this year of their joint border to railway traffic and large-scale barter trading now taking place at frontier road crossing points. The dispute between the two Communist powers dates from the end of the Vietnam War when China occupied the Spratly Islands.

May with a U.S. oil company to search for oil and natural gas in "Chinese territorial waters" west of the recently occupied islands. At about the same time, in February, the Chinese parliament reaffirmed China's sovereignty over the Spratly group, claiming that it had been Chinese "since ancient times." Beijing promised to protect engineers and drillers working in the disputed waters. Relations between Hanoi and Beijing have suddenly become tense, despite the opening earlier this year of their joint border to railway traffic and large-scale barter trading now taking place at frontier road crossing points. The dispute between the two Communist powers dates from the end of the Vietnam War when China occupied the Spratly Islands.

Vietnam Should Be Welcome

By Kavi Chongkittavorn

BANGKOK — After years of Cold War hostility, Vietnam will sign a treaty this week calling for friendship and cooperation with the non-Communist countries of ASEAN. Closer ties between Vietnam and its neighbors in the Association of South East Asian Nations — Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei — are important for strategic and economic reasons.

China has been flexing its muscles since Soviet power collapsed and the United States began reducing its forces in the western Pacific. Vietnam thus has a pivotal role to play in an emerging regional security order and in disarmament efforts.

During the past few years the Chinese air force has built a new base in the Paracels in order to reduce the flying time and maintain, with greater efficiency, their regular reconnaissance flights over the Spratlys. Owing to the lack of reliable in-flight refueling equipment, aircraft based on Hainan island can spend only five to 10 minutes loitering over the islands. It is unlikely that the Chinese will now clash with the Vietnamese at sea as they did in March 1988, but the situation in the Spratlys is causing deep concern, especially among the increasingly prosperous countries of Southeast Asia. The anxiety is growing despite the fact that the Chinese Prime Minister, Li Peng, has repeatedly stressed in recent weeks that Beijing is determined "to resolve regional territorial disputes peacefully" in view of his government's need to carry out its economic reforms.

Vietnam is in no position to take military action as the government in Hanoi concentrates on the economy, which is set to lurch forward toward

After Perot, Who Will Have Guts?

By Charles Peters

WASHINGTON — Ross Perot is history. I won't miss the waffler and evader he became in recent weeks, but I am not totally gleeful. His departure could have an unhappy effect on the presidential campaign. What will be missed is the candid and courageous American original he appeared to be in the beginning and could have become again. During the early weeks of his race he demonstrated a freedom from conventional ideology and a willingness to stand up to powerful groups as he took positions in favor of gun control and against the Gulf War and cutbacks for the wealthy. These views — combined with his one great accomplishment in the public sector: the successful effort he led for school reform in Texas — against the football coaches, the teachers' union and the educational establishment — suggest that this was a man who would risk taking stands that might lose votes, a man who just might convince the other candidates to follow his example. What will be the impact of losing such an example? Consider last week's acceptance speeches by Bill Clinton and Al Gore. Mr. Perot's religious, patriotic and entrepreneurial values were embraced, for someone like me who has long urged the Democratic Party to do just that, this was good news. But the truth is that such values are much more widely accepted in the party than they were 20 years ago when they were scorned by most liberal intellectuals, and therefore require less bravado to advocate today.

What was missing from the Clinton and Gore speeches were the stands that do take courage today — a call for education reform that confronts the problem of bad teachers, a call for health care reform that threatens the Park Avenue specialists, and a call for entitlement reform that challenges the greedy geezers to give up benefits that they don't need. Without the example of Mr. Perot at his best and with only the career surrender of George Bush and Dan Quayle to the Republican Party's special interests to instruct them, I am very afraid that Mr. Clinton and Mr. Gore will not be inspired to rise to the best that is within them. Mr. Clinton, for example, once had the courage to take on the issue of teacher competence in Arkansas. But he seems to want to forget it now, even though it is one of the most serious educational problems, especially in the large cities, where most power is strongest.

Our health, Mr. Clinton's speech identified insurance companies as the enemy. Certainly they are part of the problem. But the villains who were not mentioned are the specialists whose fees are too high, who favor expensive and often unnecessary procedures, who represent a disproportionate number of America's physicians — 70 to 80 percent, as against 50 percent or less in other major countries — and who control the American Medical Association. They are not taken on because they are big financial contributors and their influence in their communities is not inconsiderable. There is also no sign that Mr. Clinton and Mr. Gore recognize a great problem with their own party's program of health care reform. Because its cost will be imposed on the employer-employee relationship, it will like the Social Security tax, do the most damage to the groups that can withstand it least: the struggling small businessmen, the working poor, and the lower middle class. Standing up for the powerless is just as important as standing up to the powerful.

Of course, I hope Mr. Clinton and Mr. Gore will, instead of caving in to the pressures that make cowards of most politicians, follow the example of Mr. Perot at his best. If you want to keep score, watch what they say about education, entitlements, health care and campaign reform. I can hear their handlers now, arguing that following such advice guarantees defeat in November. I don't deny the risks, but the greater danger to Mr. Clinton and Mr. Gore is that they will not realize that what the country most wants to hear is that they have the courage to face the real problems. If they do, I believe they will be elected and could rank among America's great leaders. Certainly there is more raw ability in these two than in any ticket the Democrats have offered, since John Kennedy and Lyndon Johnson. Now let's see some guts.

The writer is editor of *The Washington Monthly*. He contributed this comment to *The New York Times*.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Garden Ablaze
NEW YORK — Madison Square Garden is ablaze with lights, the walls and roofs crowded with banners and flags, and packed to suffocation by a cheering crowd that welcomed Democratic nominee Messrs. Cleveland and Stevenson with every show of enthusiasm. "Ours is not a destructive party," said nominee Mr. Cleveland in a speech that had nothing of the spread-eagle style of oratory about it that political discourses usually do. "We are not reckless of American interests in our platform."

1942: Another Casualty
WASHINGTON — [From our New York edition:] Sasha, the white Spitz, that for four years was the constant companion of Ambassador and Mrs. Joseph C. Grew, has become a war casualty in Japan. It was learned today [July 20]. Under the exchange agreement for American and Japanese diplomats, no dogs were permitted aboard exchange vessels to or from the Orient. Sasha, therefore, has been left behind along with the pet staff of other members of the embassy. "Ambassador Grew brought Sasha home as a puppy while Mrs. Grew was grief-stricken at the death of another dog. When Mrs. Grew went away from Tokyo, Sasha went daily to the chancellery with the ambassador. The Grews lament the loss of a beloved dog to the Japanese.

1917: A Free Finland
HELSINKI — The Finnish Diet has voted, by 136 to 55, for a declaration of the autonomy of Finland, and has rejected an amendment presented by the Young Finns Party, Mr. Oulas, proposing to submit the declaration to the approval of the Provisional Government of Russia. The declaration of independence

The New York Times
By Charles Peters
LETTERS TO THE EDITOR
Dear Sir,
I am writing to you regarding the article in your issue of July 14, 1992, titled "The New York Times." I am a regular reader of your newspaper and I am disappointed to see that you have not included my letter in your issue of July 21, 1992. I would appreciate it if you could let me know when my letter will be published. I am sure that your readers would be interested in my comments. Thank you for your attention to this matter. Sincerely,
[Name]

هكذا من الرجل

OPINION

The New Centrism Fits, So Far

By Charles Krauthammer

NEW YORK — The withdrawal of Ross Perot from the presidential race confirms the wisdom of Bill Clinton's choice to run a centrist presidential campaign.

This time the Democrats presented a vision of the national interest that properly acknowledged group interests without succumbing to them.

he has been running to the center with an eye on the general election. And the Democrats' just concluded convention, with all its ritual bows to liberal fundamentalism, was the most centrist affair since 1976, not coincidentally the last time the Democrats won.

The heart of this new centrism is not just Mr. Clinton's economic platform, which dares to speak seriously of entrepreneurship, but his taming of the clamorous groups that have lately held the party and its conventions in thrall.

LETTERS TO THE EDITOR

Tell Us, Pope George

Regarding "The Royals Have Squandered Their Magic" (Opinion, June 25) by George F. Will:

In the months immediately following the Gulf War it was common to hear the United States describe itself reluctantly as the world's cop. More recently it seems to have assumed a fresh and more congenial role, one previously reserved for the Pope.

Friends or Foes?

Regarding the New York Times editorial "The Butcher's Apprentice" (Opinion, July 9):

It is ironic that on the same day you published the editorial vilifying Croatia for aggression against Bosnia-Herzegovina, the Croatian and Bosnian presidents were meeting in Helsinki.

Perhaps if you were to ask the president of Bosnia-Herzegovina whether Croatia is its enemy or its liberator, you would be surprised.

Remember the Killing

Regarding "Yugoslavia: A Killing Pace" (Other Opinion, June 27):

The editorial describes the bombardment of Sarajevo, the capital of Bosnia, as "the kind of slaughter not seen in Europe since the Nazis took Warsaw." But about 85 percent of Warsaw was utterly destroyed by the Nazis, and the population dwindled from more than 1.5 million before World War II to 160,000 when it was over.

Francisco convention. For a while it seemed as if Willie Horton's name was being pronounced more often than Bill Clinton's.

But the Democrats in convention had two crucial tasks. The first was to convince the American people that as a party they can be trusted to govern again.

True, the delegates cheered wildly every hot-button touchstone of political correctness: abortion, gay rights, Anita Hill, special pleading for AIDS research.

Meanwhile

They're Navy Women And Not the Enemy

By Ellen Goodman

BOSTON — Major Rhonda Cornum has a way to understand what happened to her. It was war, after all.

When she talked about her ordeal as a pilot of war, the

strong-minded flight surgeon said that the indecent assault ranked as "unpleasant, that's all."

But what of the military women who suffered from what can only be called the "friendly fire" of sexual assault?

One of them, Jacqueline Ortiz, 29, a reservist, told a Senate panel that she was "forcibly sodomized" by her sergeant in broad daylight near the Iraqi border.

Another, Paula Coughlin, 30, a navy lieutenant, has told the country that she was passed down the now-infamous gantlet on the third floor of the Tailhook convention hotel as naval pilots grabbed her breasts, pulled at her pants and chanted: "Admiral's aide, admiral's aide!"

Should this behavior shock us? In the past few years, one study after another has shown that two-thirds to three-quarters of military women have been subjected to everything from sexual "joking" to physical assault.

But the war in the Gulf brought home images of military men and women performing their jobs in the rough and egalitarian camaraderie of wartime.

Now, the dark underbelly of this story. Along with advancement, harassment. Along with the new army, the last bastion. Call it backlash. Or call it the gantlet.

The tale of the Tailhook has captured attention because it was not the act of a single criminal, a renegade. The men who ended up mauling some 26 women were the elite, the aircraft carrier pilots, the top guns.

Rosemary Mariner, president of Women Military Aviators and a



member of Tailhook, compares these assaults to what happened to blacks in the old South. She calls them a "tar and feathering."

She believes the atmosphere was poisoned not just by booze and strippers and porno flicks.

Such hostility was seen two years ago when a female Naval Academy student was chained to a urinal by male midshipmen.

When Paula Coughlin saw the men in the hallway, it never occurred to her to be afraid.

Such hostility was seen two years ago when a female Naval Academy student was chained to a urinal by male midshipmen.

amar Naval Air Station in California. The backlash, the gantlet, is not just on the third floor of the Hilton hotel in Las Vegas.

But it came into focus there. "Pilots are in a very dangerous job," says Judith Suedin, who wrote "Arms and the Enlisted Woman."

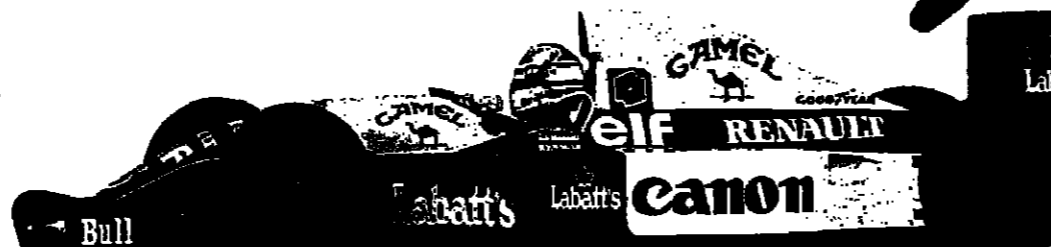
Many in the navy have found it easier to close ranks against women than with them.

For the honor of Major Rhonda Cornum, and of every woman who signed up to fight for the country, the navy must know: This will not stand.

The Boston Globe



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German Grand Prix. Hockenheim, July 26th.

Anxiously, Some Everyday Russians Are Making Their Own Mark on the Economy

By Steven Erlanger
New York Times Service

MOSCOW — The Zverev family is getting by in the new Russia, thank you, although it's not easy. They are grumpy about a confused present and nervous about the future, about whether Russia's bet on the West, on democracy and a market economy is going to pay off.

But they are finding ways to make more money and to make their lives more rewarding as well. That they have coped with the radical changes in economic life — rampant inflation's far higher prices, but also more possibilities for even the modestly clever — testifies to the survival of initiative and entrepreneurship under Soviet communism.

In a sense, the most fundamental changes are hidden, bubbling up through the thick sludge of Soviet habits and conceptions. Attitudes in government ministries may not be changing much, but people like the Zverevs are learning that they can and must take responsibility for their own lives.

The family — a couple on pension and their two married daughters, their husbands and children — was approached as they washed a battered brown Zhiguli in the courtyard of a Moscow apartment building.

"For 70 years, people got paid the same no matter how well they worked," said Natasha S. Stepanov, a 25-year-old mother of two. "Now we live day by day, with everything changing, so you never know what anything will cost. Some want to go back, because it was easier."

Her sister, Nina S. Zverev, 28, is married to one of Russia's new businessmen. "But we can also see a little into the future," she said. "where people with good qualifications and hard work can find their place."

Mrs. Stepanov shook her head. Her husband is a

butcher, but it is she, with a newly found talent for dressmaking and design, who keeps the family solvent. "There are a lot of ordinary workers who want to return to the way it was," she said. "But I think it's much better to live through this change and suffer now. To go backward again would be horrible, absolutely horrible."

Mikhail I. Stepanov and his wife are a striking example of the intermingling of Russian life's old patterns and new.

Mr. Stepanov, also 25, has what at first seems to be a typical worker's existence under the old regime — regular hours at an institute cafeteria, access to certain bargains and small privileges, a taste for vodka and television, and a hectic life in a small, three-room apartment in which his in-laws and his wife and their two young children all live.

But the substructure of his life has changed fundamentally, in ways he does not always understand.

The cafeteria in which he works, at the Institute of Thermal Technology, which does research on heating equipment, used to be Cafeteria No. 20 of the Kirovsky District.

Now it is Cafeteria No. 20 — Avangard, a fancy name for the newly privatized business that issued shares to its workers last September and still offers a decent lunch for the equivalent of about 20 cents, which Mr. Stepanov regards as expensive.

Now it is Cafeteria No. 20 — Avangard, a fancy name for the newly privatized business that issued shares to its workers last September and still offers a decent lunch for the equivalent of about 20 cents, which Mr. Stepanov regards as expensive.

Their trade union has ceased to operate, but most institute employees still get lunch vouchers worth 10 or 15 rubles.

Mr. Stepanov, an army veteran who served in Siberia as a cook, is running a bit of fat. His mother worked at an engine factory; his father worked at the thermal institute, as does an older brother. The couple met at the

brother's wedding, and Mr. Stepanov knows he was lucky. His wife is energetic and shrewd, and he seems happy when she tells him what to do.

She pushed him to buy 8,000 rubles' worth of shares in the cafeteria, all they felt they could afford. The ruble is currently trading at about 130 to the dollar.

For Mr. Stepanov, the monthly dividend of about 500 rubles is more than half his official salary of 850 rubles a month after taxes. Some friends who bought more shares are making as much as 2,000 rubles a month in dividends.

In Russia, the average monthly salary is 2,500 to 3,500 rubles, depending on whom you believe. But as a butcher in a cafeteria, Mr. Stepanov has access to food at cheap prices, and he brings a lot home.

In the Soviet Communist tradition, such workers would simply steal food, on the accepted notion that

"everything belongs to everyone, or no one, so it might as well belong to me." But Mr. Stepanov insists that in the privatized Cafe Avangard there is a clear relationship between profits and dividends, so there is little stealing.

But he can still buy a kilogram (2.2 pounds) of veal for 30 rubles, less than half the price in stores — when it can be found — and 10 eggs for 15 rubles, instead of 21 rubles in stores. And access to cheap food means access to favors, since a kilo of veal may still buy a service, like an appointment with a good doctor on short notice or a spare part in short supply. Money is beginning to have meaning again in the Russia, but in a period of shortages cheap veal can mean more than cash.

But besides salary, there are subsidies for children. The Stepanovs get about 160 rubles a month as a food subsidy for each of their two children, plus a yearly clothing subsidy that was 500 rubles last year may double this year. There are also 370 rubles a month for each child, which goes to the kindergarten where they spend weekdays from 8 A.M. to 5:30 P.M., leaving Mrs. Stepanov free for shopping and getting her work done.

Previously, Mr. Stepanov said, they could not get by unless they lived with Mrs. Stepanov's parents. Now with huge price increases since January, "even that wouldn't be enough." But forced by circumstances, and suddenly finding a talent within herself, Mrs. Stepanov began to make clothes for friends.

As a wedding present, her father-in-law gave her a German sewing machine that he got at a discount through the institute, which had done some barter trade with Germany.

She began to buy the Russian edition of the German magazine Burda, which contains patterns, and began to sew. She described how, as prices were liberalized in

January, "the boyfriend of a friend of a friend" asked her to sew him a leather jacket for 2,000 rubles. "It came out all right," she said, "and then it was one thing after another — some dresses, a man's suit. Then I wanted a coat, so I bought material enough for two, wanted 2,000 rubles, and sold one for 6,000 rubles, and spending 2,000 rubles, and sold one for 6,000 rubles, and then bought more material."

In the last three months, she said proudly as she pulled out examples of her own designs, she has made a profit of 26,000 rubles, more than six times her husband's take-home pay.

Is Mr. Stepanov proud of her? "Of course," he said. "Without the sewing, we couldn't survive."

But earlier, Mrs. Stepanov said his "male pride" had been wounded. "That I make so much money affects my husband badly," she said. "He was really angry when he realized the amount."

Even for her, she said, the current state of near hyperinflation, with prices going up 20 percent a month, creates enormous tensions.

"Almost everything I earn I spend, because I'm afraid to keep money at a time like this," Mrs. Stepanov said. "So I buy what I think I'll need for the new apartment, and I try to pay off old debts."

In September, they expect to move into an apartment of their own in a new cooperative.

The apartment has two rooms, plus a fair-sized kitchen and the standard prehabitated bath and toilet rooms. Although it is small and farther from the city center than her parents' place, Mrs. Stepanov is pleased because the air is cleaner.

Mr. Stepanov, who finally admitted that he hates his job but knows no other, said the apartment "is the biggest happiness we have in front of us."

'For 70 years, people got paid the same no matter how well they worked. Now we live day by day, with everything changing, so you never know what anything will cost. Some want to go back, because it was easier.'

A 25-year-old mother of two.

Heinz Galinski, 79, German Jewish Leader, Dies

By Mary B. W. Tabor
New York Times Service

Heinz Galinski, 79, the head of Germany's postwar Jewish community who spoke out sharply against neo-Nazism, died Sunday in Berlin.

Mr. Galinski had undergone heart surgery last month, but never recovered.

A survivor of three concentration camps, Mr. Galinski became the leader of Berlin's tiny postwar community of a few thousand Jews, the remnant of a once-flourishing community of 160,000. An ardent Zionist, Mr. Galinski spent much of his life fighting against assimilation and urging the Bonn government to toughen laws against Nazi propaganda.

"I know that I am an uncomfortable figure because of some of the things that I say," Mr. Galinski said in 1984. "But I get a lot of support for saying things that otherwise would not get said."

In 1988, Mr. Galinski, who had not long before become chairman of the Central Council of Jews in Germany, caused a stir in social and political circles by announcing that his predecessor at the organization, Werner Nachmann, had evidently helped himself to millions

of dollars intended for Holocaust victims.

Although there was concern that the news would cause an anti-Semitic reaction, Mr. Galinski promptly advised Chancellor Helmut Kohl and others. It was, he said at the time, "one of the darkest hours for the Jewish community since 1945."

After West and East Germany reunified in 1990, Mr. Galinski often warned that a wave of rightist violence against foreigners could mean the return of widespread persecution. Germany must never be allowed to forget its crimes, he said.

Mr. Galinski had headed the Berlin Jewish Community since 1949 and the Central Council of Jews in Germany since 1988.

He was born in the Prussian town of Marienburg, now Malbork in Poland. As a young man he moved to Berlin, where he witnessed the rise of Nazism.

In 1943, he was sent to Auschwitz. He was later transferred to Buchenwald and finally to Bergen-Belsen, a camp liberated by British troops in April 1945, just before the war ended.

Mr. Galinski's father, a businessman and a World War I veteran of the German Army, died under Ge-

stapo arrest. His mother and first wife also died in the Holocaust.

After the war, Mr. Galinski helped organize compensation payments for Jews and other Holocaust survivors and was a vigorous campaigner against an amnesty for Nazi war criminals.

In 1975 he narrowly escaped a bomb attack by the extreme leftist Red Army Faction. After that, a bodyguard was often seen accompanying him.

In January, one of his greatest wishes was realized with the dedication of a national memorial at Berlin's Wannsee Villa — a memorial established as a study center.

It was at this spot in Berlin that top Nazis had met in January 1942 to approve the "Final Solution" — the plan to exterminate the 11 million European Jews. Six million were killed.

"The voices are not yet stilled, those who want to minimize the crimes of the Nazi regime," Mr. Galinski said at the dedication.

Mr. Galinski is survived by his second wife, Ruth, and a daughter, Evelyn.

Victor Louis, 64, Russian Journalist
LONDON (NYT) — Victor

Louis, 64, a Russian journalist who for decades purveyed information to the Soviet leadership wanted to appear in the Western press, died Saturday in London after a heart attack.

Mr. Louis had undergone an operation for a recurrence of cancer Thursday and was recovering well until the heart attack.

Born Vitali Yevgenyevich Lui in Moscow, Mr. Louis became a fascinating and enigmatic figure in the shady netherworld of Soviet journalism during the Cold War. He worked as a part-time correspondent for the London Evening News for 29 years until 1980, and later for the Sunday Express, often making world headlines with news he reported exclusively.

In recent years he traveled extensively around the world and, with his wife, Jennifer, ran a lucrative, hard-currency business publishing guides and telephone directories for foreigners in Moscow.

In an era when it was often difficult for foreign diplomats and journalists in Moscow to approach ordinary Russians, Mr. Louis was always ready to receive them at an opulent country estate in the writers' colony of Peredelkino, where he lived like a millionaire. The two-

story wood and stone dacha was filled with antiques, icons, paintings, and statuary, and had an indoor swimming pool. Outside, there was a tennis court that converted to a skating rink in winter. Western television sets, telephones, video recorders and other high-tech gadgets fascinated him.

Tall, gray, and handsome in a sharp-featured way, Mr. Louis was a curiosity to the diplomatic community and an object of fear and contempt to internal opponents of the Communist regime. He had a sharp tongue, and used his polemical skills vigorously to attack critics of his own behavior or of the regime.

"Why do you people always call me colonel in the KGB?" he once asked Ronald Payne, a British author and journalist, who replied, according to The Daily Telegraph: "Goodness. Have you been promoted to general at last, Victor?" He insisted that he was neither, but exactly what he was never was clear.

Allen Newell, 65, a founder of the field of artificial intelligence and a leader in the study of thinking, died Sunday in Pittsburgh of cancer.

Clashes Erupt In Karabakh, Toll Uncertain

The Associated Press

MOSCOW — Armenians and Azerbaijanis resumed fighting for control of territory in Nagorno-Karabakh, but there were conflicting reports Monday of how many people died in the latest clashes.

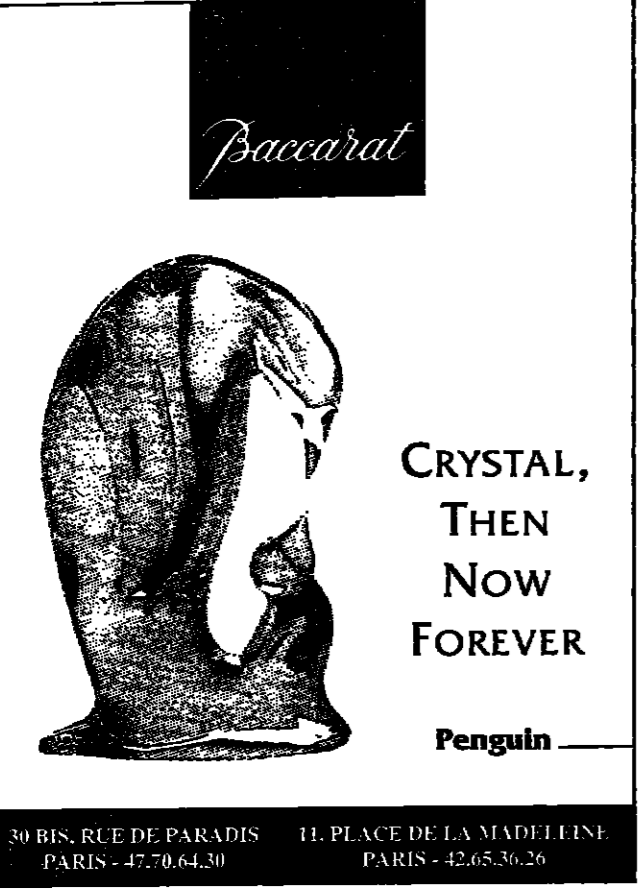
A spokesman for the Nagorno-Karabakh government press office, Gagik Bagdasarian, said 100 people were killed over the weekend.

The press agency Pro-Armenia said that 4 Armenians had been killed and 30 wounded, and that about 50 Azerbaijanis had been killed and 50 wounded.

Azerbaijan has been trying for a month to retake strategic territory captured by Armenia in Nagorno-Karabakh earlier this year.

The Turan press agency in Azerbaijan reported heavy fighting Monday in the villages of Vaganas, Mehmana and Kasapet, with heavy casualties on both sides.

In eastern Moldova, another former Soviet trouble spot, two Moldovan loyalists were killed and six wounded in overnight clashes with Slavic separatists, a Moldovan Interior Ministry spokesman said.



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INTERNATIONAL EDUCATION GUIDE

Style

Beyond Carmen and Flamenco In Seville, It's Olé to High Fashion at Expo '92



SEVILLE — The arches of the bullring are etched against the luminous, fading light. To the music of Carmen, three figures step forward, backs stretched, heads proudly up, dressed in shades of hot pink, blood red and purple.

The audience included the Duchess of Alba, in a sunstone yellow Saint Laurent suit, with her daughter, Maria-Eugenia wearing Sybilla, one of the new wave Spanish designers.

For Paco Rabanne, one of the couturiers participating in the three-day fashion fest, it was also a return to his roots: to the country from which his family fled the Spanish Civil War when he was a five-year-old child in 1939, and to which he promised his mother never to return until after Franco's death.

At Expo's French pavilion there was a moment of high emotion as Yves Saint Laurent held a fashion retrospective that included his many Spanish inspirations — swishing capes in sharp Goyaesque colors; swashbuckling velvet toreador's suits; sinuous lounced Carmencita dresses; and an Infanta wedding dress in fondant satin which came out accompanied by two stiffly dressed children like the reincarnation of a Velázquez painting.

Cristobal Balenciaga, who died in Valencia in 1972, is the only Spanish couturier to have reached the Olympic heights of international fashion. His pure architectural clothes

ruled Paris fashion in the 1950s and his reputation remains today as soaring as the Giralda tower that dominates Seville's skyline. Both Madrid and Barcelona hold rival fashion gatherings and have made Spain famous for its luxurious leather, for modern menswear, and for the striking and rigorous work of its avant-garde designers like Purificacion Garcia, Roberto Verino and Jesus del Pozo. At the Seville show were designers Victorio & Lucchino, whose base in the city is the house where Velázquez was born. They create modern-day versions of the encrustations and appliques of lace that are part of the local fashion folklore. In their work they draw too on the dusty sun-baked colors of their sur-



Paco Rabanne

roundings as well as the rich heritage of Moorish decoration like the mix of salmon pink plaster with yellow ochre. The bullring's fashion show was the brainchild of Gérard Delage, the French pavilion's director, who wanted to stage a homage to fashion and art. France's Chambre Syndicale of couture and ready-to-wear pulled together designers from Claude Montana — Spanish on his mother's side — to Christian Lacroix, with a heritage of bullring and corrida from his native Arles.

Montana, who was awarded Spain's Cristobal Balenciaga prize in 1988, opened the show with dramatic sculpted black organza blouses over high-waisted matador pants. Lacroix's rich Spanish fantasies included torero embroidery on sangria-red velvet.

The show would have been stronger if it had stuck with Spain rather than giving an overview of

couture — inevitably patchy when 18 designers are involved. Those with a clutter of castanets were Emanuel Ungaro (a disciple of Balenciaga), who sent out be-frilled and flounced coin-dot dresses, and Jean-Louis Scherrer, who showed both Spanish evening dresses and outfits on an African theme, which is part of the spirit that blows on a hot southern wind through Spain.

Scherrer's Spanish dresses, inspired by a visit to the Prado museum in Madrid, were first shown five years ago and had been begged and borrowed back from clients. He raced around Expo with his daughter Laetitia in a temperature of 45 degrees Centigrade (113 degrees Fahrenheit), while most of the French designers represented stayed home to work on next week's Paris couture.

"My collection is finished, but I may have some ideas for future couture shows," said Scherrer. "Spain is so rich in tradition and so elegant."

How do you take Spain as a fashion inspiration without making outfits that look like the flamenco dolls in the souvenir shops or costume-party matadors in boleros and pants? Balenciaga, Spanish to his proud, austere, ascetic soul, cut complex clothes with the apparent simplicity of a religious habit and sculpted materials until they held a shape like beaten eggwhite. On to this formal architecture he butted mantilla lace, fringes of rattling jet beads, dense embroideries or rivulets of tulle. From the artists whose paintings hang in Expo's "Treasures of Spain" exhibition, Balenciaga would absorb and utilize a detail — a caped sleeve copied from a Zurbarán angel; folds of silk or a tuft of black lace from Goya's Marquesses; the stiff spreading ball skirt from a Velázquez Infanta gown; abstract dabs of color from Miró.

Only Saint Laurent approached that subtlety, with his embroideries of Braque birds and Picasso doves and his vivid combinations of colors. "But Saint Laurent's Spain is mostly inspired by Goya and that is very particular," said Paco Rabanne, whose Basque mother was Balenciaga's chief seamstress. "A lot of Spain we see in fashion is grand guignol. I like to reflect something more severe. I was especially

pleased with the public fashion show — that is the way I wanted to move now: towards the people. I believe that the public felt in the show a sense of Spanish things that is not the circus, and that they they applauded most the thing that were gray, black and somber."

FOR the free spectacle held in the open-air Flamenco theater under a roof like a ship's sail, Rabanne played popular Catalan music, rather than choruses from Bizet's "Carmen." He was wearing his signature slate gray tunic and pants, and the clothes he showed included mystical, space-age creations in modern materials: plastic chain mail, metal or black ribbed rubber. This was how Rabanne, who was trained in Paris as an architect, made his modernist mark in the 1960s. Hosting the two shows were Mariano Pug, with his wife Rosario, whose Spanish company is behind the internationally successful Paco Rabanne perfumes. It has also launched a fragrance for Victorio & Lucchino appropriate titled "Carmen."

The myth of Carmen and her forceful sexuality ought to have a fashion message for women today. But however avant-garde her spirit was at the time, her clothes lay passed into the fashion language of tourist-brochure kitsch. Design — Spanish or from Paris couture — might try to look beyond the bullring and the art gallery and draw inspiration instead from Seville's Moorish mosaics, the lush gardens, the vibrant energy of its nocturnal youth culture. Or they might even find new inspiration across the Gira delquivir River in the architecture of Expo '92's far-out pavilions.

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Thousands cheered as the picadors and toreadors of fashion invaded Seville to pay homage to high fashion. Top left, Christian Lacroix's embroidered velvet toreador jacket; Yves Saint Laurent's homage to Velázquez; Paco Rabanne's futuristic creations, shown in the monastery where Columbus planned his 1492 voyage.

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NYSE

Monday's Closing

Tables include the nationwide prices up to the closing of Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Close	Change
IBM	100 5/8	+1/8
Intel	53 3/4	+1/2
Microsoft	49 1/2	+1/4
Apple	41 1/4	+1/2
Amazon	11 5/8	+1/4
Alibaba	10 1/2	+1/8
Twitter	18 1/4	+1/4
Facebook	57 3/4	+1/4
LinkedIn	25 1/4	+1/4
Slack	13 1/2	+1/4
Dropbox	16 1/2	+1/4
Zoom	15 1/4	+1/4
Zoom	15 1/4	+1/4
Zoom	15 1/4	+1/4

Symbol	Close	Change
AT&T	33 3/4	+1/4
Verizon	45 1/2	+1/4
Sprint	18 1/4	+1/4
Qwest	12 1/4	+1/4
CenturyLink	10 1/4	+1/4
NextGen	15 1/4	+1/4
Comcast	10 1/4	+1/4
Netflix	12 1/4	+1/4
Amazon	11 5/8	+1/4
Alibaba	10 1/2	+1/8
Twitter	18 1/4	+1/4
Facebook	57 3/4	+1/4
LinkedIn	25 1/4	+1/4
Slack	13 1/2	+1/4
Dropbox	16 1/2	+1/4
Zoom	15 1/4	+1/4

Symbol	Close	Change
Wal-Mart	47 1/4	+1/2
Costco	41 1/2	+1/4
Home Depot	37 1/4	+1/4
Lowe's	29 1/4	+1/4
Walmart	47 1/4	+1/2
Costco	41 1/2	+1/4
Home Depot	37 1/4	+1/4
Lowe's	29 1/4	+1/4
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Twitter	18 1/4	+1/4
Facebook	57 3/4	+1/4
LinkedIn	25 1/4	+1/4
Slack	13 1/2	+1/4
Dropbox	16 1/2	+1/4
Zoom	15 1/4	+1/4

INTERNATIONAL

Israeli Stocks & On Post-Sharona

By Alan...

CURRENCY RATE

Cross Rates

Country	Rate
Japan	146.12
Germany	163.78
France	166.36
UK	173.75
Canada	103.16
Switzerland	137.58
Australia	108.98
New Zealand	109.12
Hong Kong	77.97
China	8.27
India	50.50
South Africa	13.33
South Korea	184.12
Taiwan	180.12
Thailand	49.12
Hawaii	19.12
Philippines	19.12
Singapore	19.12
Malaysia	19.12
Indonesia	19.12
Brazil	19.12
Argentina	19.12
Chile	19.12
Colombia	19.12
Venezuela	19.12
Russia	19.12
Ukraine	19.12
Poland	19.12
Czech Republic	19.12
Slovakia	19.12
Hungary	19.12
Slovenia	19.12
Croatia	19.12
Bosnia	19.12
Serbia	19.12
Montenegro	19.12
Moldova	19.12
Romania	19.12
Bulgaria	19.12
Greece	19.12
Italy	19.12
Spain	19.12
Portugal	19.12
Greece	19.12

Other Dollar Values

Forward Rates

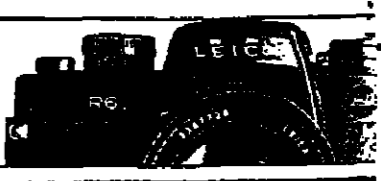
INTEREST RATES

Eurocurrency Deposits

Key Money Rates

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INTERNATIONAL STOCKS

Israeli Stocks Stage Rally On Post-Shamir Hopes

By Alison Leigh Cowan
NEW YORK — Scitex Corp., a maker of computer graphic systems, is one of many Israeli companies whose stocks have surged in the weeks since the country's Labor Party trounced the Likud Party at the polls.

Investors are focusing on the prospects for peace in the region. The country would be free to spend its hard-earned "peace dividend" on neglected parts of the economy.

IN THE U.S. equity markets, Scitex and ECI Telecommunications are the most popular Israeli-based companies, judged by market value, though they are showing signs of maturity.

CURRENCY RATES

Table with columns: Cross Rates, Other Dollar Values, Forward Rates. Lists various currencies and their exchange rates.

INTEREST RATES

Table with columns: Eurocurrency Deposits, Key Money Rates, Asian Dollar Deposits. Lists interest rates for various financial instruments.

GOLD

Table with columns: Gold prices in various currencies and locations.

Greenspan Has Some Explaining to Do

By Kenneth N. Gilpin
NEW YORK — After three years of trying to put the economy on track toward a stable, sustainable recovery, the Federal Reserve Board's chairman, Alan Greenspan, will try to explain to Congress this week why the central bank's efforts have not succeeded.

'I think we can expect a depressing, rambling speech. But the real problem is that the economy is not responding to lower interest rates.'

Edward Yardeni, chief economist, C.J. Lawrence. Although the Fed has been criticized for not easing monetary policy more aggressively up to now, the central bank's decision earlier this month to cut the discount rate to 3 percent and push down the federal funds rate to 3.25 percent will probably make Mr. Greenspan's time on Capitol Hill a bit easier.

Kevin Maxwell Ordered to Pay £400 Million

By Steven Prokesh
LONDON — A British court ordered Kevin Maxwell Monday to pay £406.5 million (\$793.3 million) in damages for breaching his fiduciary duties as a director of an investment-management firm that was the trustee of pension funds belonging to employees of the Maxwell publishing empire.

Although the Fed has been criticized for not easing monetary policy more aggressively up to now, the central bank's decision earlier this month to cut the discount rate to 3 percent and push down the federal funds rate to 3.25 percent will probably make Mr. Greenspan's time on Capitol Hill a bit easier.

Major Won't Devalue To Bolster Economy

By Steven Prokesh
LONDON — British Prime Minister John Major ruled out on Monday what he called "competitive devaluations" to bail out the economy.

Major said he would not devalue the pound to help the economy. He said the government would continue to support the pound and would not devalue it to help the economy.

Free Trade: A Look at Secrecy and Steel

Deals Are Cloaked Near Final Draft

By Keith Bradsher
WASHINGTON — William H. Gates 3d, who dropped out of Harvard to found Microsoft Corp., which became the largest U.S. software company, could conceivably have a little difficulty if he wanted to program computers for a living in Mexico after the signing of the North American free-trade agreement.

The agreement would ease rules on temporary visas for Canadian, American and Mexican computer operators who cross borders. However, it requires the operators to have degrees to qualify for special consideration.

Canadian Makers Want U.S. Pact

By Clyde H. Farnsworth
TORONTO — Canada's major steel-makers, backed by the Canadian government, say they have opened negotiations with American competitors on a pact to dismantle remaining trade barriers similar to one already existing in autos.

Such an accord would not only remove a major irritant in trade relations, but would help revive wavering Canadian industrial support for North American free trade.

Tokyo Unleashes Securities Watchdog

By Paul Blustein
TOKYO — Amid skepticism over the chances of truly reforming Japan's scandal-ridden financial markets, a new watchdog agency for the securities industry was inaugurated Monday, and its chairman vowed to be a tough, independent regulator.

Toshihiro Mizuhara, a balding, bespectacled former prosecutor, took office as the first head of the Securities and Exchange Surveillance Commission, which he said was "well-secured legally" to make its own judgments even though it falls under the jurisdiction of the Finance Ministry.

The launch comes as individual investors have all but abandoned stocks.

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ANNUAL GENERAL MEETING. Notice is given to the shareholders, that the ANNUAL GENERAL MEETING of shareholders of LIBERTY ALL-STAR WORLD PORTFOLIO, will be held at the offices of Banque Internationale à Luxembourg, 69, route d'Esch, 1470, Luxembourg, on July 31, 1992 at 11:00 a.m. for the purpose of considering and voting upon the following agenda:

- 1. Submission of the Reports of the Board of Directors and of the Statutory Auditor;
2. Approval of Statement of Net Assets at March 31, 1992 and of the Statement of Operations for the year ended March 31, 1992. Appropriation of the net results;
3. Discharge of the Directors;
4. Receipt of and action on nomination of the Directors;
5. Miscellaneous.

The shareholders are advised that resolutions on the agenda of the annual general meeting will require no quorum and will be taken on a simple majority of the votes expressed by the shareholders present or represented at the meeting.

In order to attend the meeting of LIBERTY ALL-STAR WORLD PORTFOLIO the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Company or with Banque Internationale à Luxembourg, 69, route d'Esch, L-1470 Luxembourg.

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MARKET DIARY

MARKETS: Gloom Hits Stocks

(Continued from page 1) over the pound. The market believes the Conservatives set the pound's level too high when it entered the European exchange rate mechanism...

N.Y. Stocks

ed the sell-off in Germany, where managers were parking money in higher-yielding cash. He added: "For equity markets, there has been bad news in interest rates, earnings and valuations, and these triggered the sell-off. Now that the central banks have acted on the dollar, it should stabilize, although I'm not calling for a roaring bull market."

As in Asia, European markets reacted with a mixture of symbiosis and localism. The CAC-40 index in Paris was brought down 1.9 points by fears about the German economy and interest rates. Italian stocks plummeted 7.7 percent in early trading after another anti-Mafia judge was killed on Sunday, which traders turned into a huge note of non-confidence in Italy's jerry-built political institutions.

And in London, the Financial Times-Stock Exchange 100-share index fell 1.2 percent, on one point touching its lowest level in 18 months, largely because of the dilemma the government is facing

DOLLAR: Central Banks Help

(Continued from page 1) close attention on Tuesday to Alan Greenspan, the Federal Reserve Board chairman, who is scheduled to testify before a congressional committee. His remarks may give a clue to whether the Fed thinks interest rates have fallen far enough or whether he believes the economy may need another dose of lower rates.

With many currency traders wary that the Bundesbank has only postponed a rise in its critical long-term rate until this fall, another drop in U.S. interest rates could set off a fresh assault on the dollar.

While the dollar has been falling against most European currencies, however, it has held steady against the Japanese yen. Japan faces economic problems of its own that are expected to lead to lower interest rates and a more stimulative package of fiscal measures this autumn.

Significantly, the Bank of Japan did not join in the currency intervention Monday.

"The yen has really been on the sidelines," said Mr. Brown. "It is moving more on track with the dollar than with European currencies."

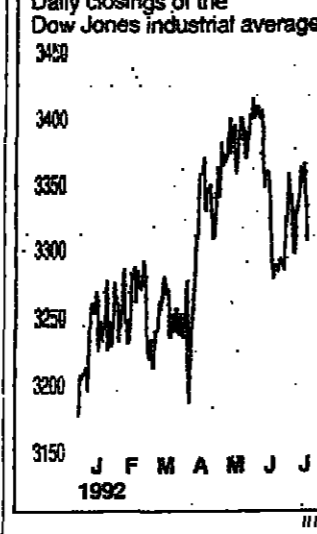
Against the French currency, the dollar jumped to 3,040 francs from 4,930.

WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Frankfurt, London, Madrid, Milan, Paris, Singapore, and Zurich.

Market Closed in Brussels was closed Monday for a holiday.

The Dow



Daily closings of the Dow Jones industrial average

NYSE Most Actives

Table listing NYSE most active stocks including IBM, Microsoft, and General Electric.

AMEX Most Actives

Table listing AMEX most active stocks including Amgen, Amgen, and Amgen.

NASDAQ Most Actives

Table listing NASDAQ most active stocks including Intel, Microsoft, and Oracle.

N.Y.S.E. Odd-Lot Trading

Table showing NYSE odd-lot trading data for various stocks.

NYSE Diary

Table showing NYSE trading diary with columns for advanced, declined, and total issues.

Amex Diary

Table showing AMEX trading diary with columns for advanced, declined, and total issues.

NASDAQ Diary

Table showing NASDAQ trading diary with columns for advanced, declined, and total issues.

Dow Jones Averages

Table showing Dow Jones averages for various indices.

Standard & Poor's Indexes

Table showing Standard & Poor's index values.

NYSE Indexes

Table showing NYSE index values.

NASDAQ Indexes

Table showing NASDAQ index values.

AMEX Stock Index

Table showing AMEX stock index values.

Dow Jones Bond Averages

Table showing Dow Jones bond averages.

Market Sales

Table showing market sales data.

N.Y.S.E. Odd-Lot Trading

Table showing NYSE odd-lot trading data.

For investment information

read THE MONEY REPORT every Saturday in the IHT

EUROPEAN FUTURES

Table showing European futures prices for SUGAR (FOX) and COCA (FOX).

COFFEE (FOX)

Table showing coffee futures prices.

WHEAT (CBOT)

Table showing wheat futures prices.

SOYBEANS (CBOT)

Table showing soybean futures prices.

SOYBEAN MEAL (CBT)

Table showing soybean meal futures prices.

SOYBEAN OIL (CBOT)

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WHEAT (CBOT)

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EUROPEAN FUTURES

Table showing European futures prices for SUGAR (FOX) and COCA (FOX).

COFFEE (FOX)

Table showing coffee futures prices.

WHEAT (CBOT)

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U.S. / AT THE CLOSE

Transamerica to Focus on Life Sector SAN FRANCISCO (UPI) — Transamerica Corp. said Monday it plans to leave the property-and-casualty insurance business in order to focus on its less cyclical and more profitable finance and life insurance activities.

BankAmerica Profit Hit by Merger SAN FRANCISCO (AP) — In its first earnings report since absorbing Security Pacific BankAmerica Corp. on Monday reported second-quarter earnings were down from a year ago, but said the results reflected the cost of the merger.

Coke to Buy Back 100 Million Shares ATLANTA (Reuters) — Coca-Cola Co. said Monday its board had authorized the repurchase of up to 100 million common shares through the turn of the century.

New Products Boost Merck Profit RAHWAY, New Jersey (Reuters) — Merck & Co. reported second-quarter net income of \$1.23 billion, an 18 percent increase over the first half of 1991 on sales of \$4.6 billion, up 10 percent.

Kohlberg Plans to Acquire Thrift GREENWICH, Connecticut (Bloomberg) — An investor group led by Kohlberg & Co. signed a letter of intent to acquire 90 percent of Carteret Savings Bank, a troubled New Jersey thrift, for up to \$200 million.

Underwritings Up, Returns Down NEW YORK (UPI) — It may not have been a great first-half for investors in the initial public offering segment of the stock market, but for underwriters it was almost a record.

For the Record Rockwell International Corp., plagued by weakness in its aerospace and graphics businesses, reported a 19 percent decline in third-quarter earnings.

U.S. FUTURES Via Associated Press July 20

Table showing U.S. futures prices for Grains, Soybeans, and Soybean Meal.

Table showing U.S. futures prices for Soybean Oil and Wheat.

Table showing U.S. futures prices for Soybeans and Soybean Meal.

Table showing U.S. futures prices for Soybean Oil and Wheat.

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Large advertisement on the right side of the page for Philips, featuring the text 'Philips Plans Sheet Sales To Cut Debt' and 'Netherlands Delays Fol'.

Netherlands Official Delays Fokker Pact

By Barbara Smit
Special to The Herald Tribune
AMSTERDAM — The broad collaboration agreement between the Dutch aircraft maker Fokker...

Philips Plans Asset Sales To Cut Debt

By Barbara Smit
Special to The Herald Tribune
EINDHOVEN, Netherlands — Philips Electronics NV plans to sell billions of guilders worth of real estate and other assets to help pay off and service its burdensome debt.

The company last month projected lower second-quarter and full-year earnings for 1992. At the end of last year, Philips's debt totaled 16.88 billion guilders (\$12.6 billion).

Separately, Siemens AG is forming a joint venture with Philips to control the Dutch company's cable and optical fiber unit as an interim step, according to a report in Der Spiegel.

EC Wants to Mute Lobbyists

By Andrew Rosenbaum
Special to The Herald Tribune
BRUSSELS — The European Parliament is fed up with increasingly aggressive industry lobbyists and is preparing a law that will force them to play by new rules, members of the Parliament and industry lobbyists said this week.

Lobbyists are known to have forced their way into European officials' offices, and to have actually stolen documents from their work tables, says Bernard Bates, himself a lobbyist for the firm Emann Katt Consulting Group in Brussels.

The aim is to make the lobbying system more like that in the United States. Under a 1946 law, lobbyists who approach U.S. representatives or senators must state the names of the companies or organizations for which they are working.

EC Expected to Approve Iberia Aid

BRUSSELS — The EC Commission is set this week to approve a plan by the Spanish government to pump nearly \$1 billion into Spain's national carrier, Iberia Air Lines, commission officials said Monday.

The officials said Alitalia and TAP-Air Portugal were also awaiting commission verdicts on big state funding packages and that Brussels would find it hard to refuse after endorsing plans for the other national carriers.

Siemens Boosted By East

MUNICH — Siemens AG said its profit and sales in the first nine months of its financial year rose about 8 percent from a year earlier, with a boost from the rebuilding of East Germany.

Siemens said business was dominated by growth in infrastructure projects and weak demand for industrial standard products. The growth stemmed mainly from the German government's modernization of former East Germany, Siemens said.

Siemens's net profit in its 1991 financial year rose to 1.79 billion DM from 1.67 billion DM in the previous year. Siemens's net profit in its 1991 financial year rose to 1.79 billion DM from 1.67 billion DM in the previous year.

Investor's Europe

Table showing stock market indices for Frankfurt (DAX), London (FTSE 100), and Paris (CAC 40) from 1986 to 1992. Includes columns for Index, Monday Close, Prev. Close, and % Change.

Very briefly:

- A Luxembourg court delayed settlement for claims for 250,000 deposits of the Bank of Credit & Commerce International in 40 countries.
Saatchi & Saatchi Co., the London-based advertising conglomerate, has paid \$9.5 million to settle a class-action suit filed by American shareholders...

Table of international fund listings with columns for fund name, currency, and other details. Includes various global and regional equity and bond funds.

INTERNATIONAL FUNDS

Detailed table of international fund listings with columns for fund name, currency, and other details. Includes various global and regional equity and bond funds.

July 20, 1992

Table of fund performance and listings for July 20, 1992. Includes columns for fund name, price, and other details.

SPORTS BASEBALL

Atlanta Completes Astrodome Sweep

The Associated Press The Atlanta Braves are pretty good no matter where they play, inside or out.

walked none and left the game after six innings with the score 2-2. Kurt Stillwell tripled and scored the go-ahead run in the seventh when Oscar Azocar, pinch-hitting for Jeff Lefferts, blooped a single to left.

NATIONAL LEAGUE

series at home for the first time since 1983. "We've had great pitching and we've been able to get good hitting," said Atlanta's manager, Bobby Cox. "Name one club that loves to come in here. We don't, either. It's just been incredible."

Reds 5, Cardinals 4: Pinch-hitter Jeff Brannon's two-run single and B.J. Roberts' two-run homer helped Cincinnati rally for five seventh-inning runs against visiting St. Louis.

Norm Charlton pitched the ninth for his 23d save, tying the Cardinals' Lee Smith for the league lead. Mets 8, Giants 4: Dick Schofield, who was batting .195, drove in six runs with a bases-loaded double and a three-run homer to beat San Francisco in New York.

Phillies 6, Dodgers 5: Lenny Dykstra and Dave Hollins each drove in two runs against Los Angeles as Philadelphia, playing at home, won its third straight.



Franco Chioccioli got a first victory after the birth of his first child.

Extremely Fast Tour de France Taking Its Toll: 65 Riders Out

By Samuel Abt International Herald Tribune

ST. ETIENNE, France — Looking freshly shaved and showered, Luc Leblanc left his hotel atop Alpe d'Huez before breakfast Monday morning and started to cross the Place Jean Moulin to buy a newspaper. On his way, he paused to look out across the Alps and shook his head slowly from side to side.

Many other riders who started this 79th Tour de France knew that feeling.

Until this weekend, Leblanc, a 25-year-old Frenchman and team leader for Castorama, ranked as an outside choice to finish in the top three in the Tour. He finished fifth last year and showed his potential by winning both the Midi Libre stage race and the French national road championship last month.

His hopes ended, however, in the high Alps. After finishing 49 minutes, 38 seconds behind the leader on Saturday, he was so far back Sunday that he was eliminated on time differential with the winner, Andy Hampsten of Motorola.

Leblanc had some medical excuses, including knee problems. What he was really a victim of was

the extraordinarily fast pace of the bicycle race this year.

Not including Monday's stage, it averages 39.5 kilometers an hour (24.5 mph). If maintained to the end Sunday in Paris, that would make this the fastest Tour de France since the race began in 1903.

Mountain stages barely dragged down the average. Climbing over three alpine peaks rated beyond category in toughness, length and steepness, for example, Hampsten finished in an average speed of an astounding 37.7 kph.

Further, when Leblanc, and Greg LeMond, too, finished in a large group of riders 49-58 behind on Saturday, they all matched the fastest time for a winner predicted for the stage by the Tour's own guide.

On that stage, from St. Gervais, France, to Sestriere, Italy, three riders were eliminated on time differential. 14 quit and one did not start. On Sunday from Sestriere to Alpe d'Huez, three more, including Leblanc, were outside the time limit, eight, including LeMond, quit and one was disqualified. That left the original field of 198 riders reduced Monday to 133, or the fewest

since 1986, when 132 men finished what 210 started.

And there are still six stages to go before the finish.

Although the high Alps are far behind now, the pace is not slowing. That was shown Monday on a 198-kilometer jaunt from Bourg d'Oisans past fruit orchards and cornfields to the grimy city of St. Etienne.

Finishing nearly half an hour ahead of the fastest time predicted in the tour guide, Franco Chioccioli of the GB-MG team was an easy winner after a shortish breakaway.

Chioccioli came across the line in 4 hours, 43 minutes, 59 seconds, or 42 seconds ahead of Dmitri Konichev of TVM and 43 seconds ahead of Giancarlo Perini of Carrera. The winner's average speed was 41.8 kph, which bolstered the overall average.

The leaders' pack finished six seconds behind Perini and there were no major changes in the overall standings.

The winner, Chioccioli, had something to celebrate besides the stage: Back home in Italy, his wife gave birth Sunday to their first child, a son.

He also had a small problem. Before the start, Chioccioli told friends he would name his son after the stage winner. Call the boy Junior.

Chioccioli, who won the Giro d'Italia two years ago and finished third this year, is the GB-MG team leader and one of the few leaders, other than Miguel Indurain of Banesto, who can finish this race with unchallenged status.

By Monday's start, 8 of the 22 teams had lost their leaders to the many challenges. Those ousted included Leblanc, LeMond, Federico Echave of Clas, Moreno Argentin of Astotes and Landelino Cubano of Amaya — all stars of the sport.

"It's easier for a leader to drop out than it is for an ordinary rider," Leblanc told the French sports newspaper l'Equipe. "A leader doesn't want to look ridiculous. You have to know how to keep your dignity."

That was open to debate, but not his next remark.

"In bicycling," Leblanc thought, "when you're going badly, you're all alone."

Faldo Reaps Rewards of Victory

Agence France-Press

MUIRFIELD, Scotland — Nick Faldo, having won his third British Open, achieved another goal Monday by regaining the No. 1 ranking in professional golf.

The 35-year-old Englishman had set his sights on ending Fred Couples' 16-week reign at the top and he knocked the U.S. Masters champion off his perch (see Scoreboard) after the American missed the cut in the British Open.

"It looked as though nobody could catch him for a year," Faldo said. "But I thought if he can do it, hopefully I can."

Faldo's triumph Sunday, after blowing a four-stroke lead, gave him a third British Open title in six years and a fifth major title in all.

He also credited Couples with making him about \$10 million richer than a couple of days ago. "I copied a bit from Fred Couples," he said. "He seems to have such a light attitude and gives the impression of being able to forget things even when something goes wrong."

"Coming down the 15th, after I'd gone from three in front to two behind John Cook, I told myself that what had happened was gone and just to get on with the next four holes."

"I've been trying not to be as hard on myself since the Ryder Cup last September. I'd found it very difficult all last year to accept that I wasn't playing as well as I used to. As well as the mental part I analyzed each part of my game and worked on it."

"When I retire I want to say I genuinely gave it 100 percent. I don't want to think that I had a good time and could have given it more. I can have my good time when I am 45. I'm going to be a touring architect, do exhibitions and be a fishing pro. I'll be more than happy."

Faldo already has sponsorship deals with eight companies, putting his annual income at about \$20 million. Now, a new contract with a car company is in the works and the clothing that he promotes is going to be launched in America and Japan — which, his agent, said could bring "huge" rewards.

Rangers 'Strong-Armed' for 3d Time by Orioles

The Associated Press

For the Baltimore Orioles, beating the Texas Rangers was as simple as one, two, three.

That's how many hits the Orioles allowed in the final three games of a four-game series in Arlington, Texas. Not surprisingly, the Orioles won all three.

On Sunday night, four Baltimore pitchers allowed the Rangers only three hits in a 3-2 victory provided by Cal Ripken's sacrifice fly in the 10th inning.

Mike Mussina gave up one hit in Friday night's game and Ben McDonald just two Saturday night.

This time, rookie Arthur Rhodes held the Rangers hitless through five innings before allowing two hits and two runs in the sixth. Then

the Orioles' manager, Johnny Oates, decided it was time to give his well-rested bullpen a workout. So Todd Frowith, Pat Clements and Gregg Olson held Texas to one hit in the final four innings.

"The bullpen, after sitting for quite a while, got the job done," said Oates, whose staff held Texas to just two runs in 23 innings. "Clements, this was his first time out in nine days. And Olson, it was his first time in 10 days. You get tricky wondering what they'll do."

Texas batted a combined .070 (6-for-86) in the three games while falling a season-high 8 1/2 games behind Minnesota in the AL West.

Never in franchise history had the Rangers been held to as few as six hits in three games, although in 1978 they were held to seven hits during a three-game span in June.

"We ran into some tough arms," said their manager, Jeff Harsh. "This road trip's coming up at the right time. We need a change of scenery."

His starter, Todd Burns, left in the eighth with a four-hit shutout and a 2-0 lead, only to have relievers Kenny Rogers, Jeff Russell and Terry Mathews surrender the lead and then the contest.

Ripken's two-out RBI single in the eighth was followed by third baseman Dean Palmer's mishandling of Glen Davis's grounder, which allowed the tying run to score.

Blue Jays 8, Mariners 4: In Seattle, Dave Winfield and Candy Maldonado hit two-run homers as Toronto won at the Kingdome for the fifth time in six games.

Indians 4, Royals 3: Carlos Baerga's fourth hit drove in Kenny Lofton with the tie-breaking run in the ninth as Cleveland avoided a four-game sweep in Kansas City.

Baerga, batting .460 in his last 23 games, hit a two-run homer in the first inning, a single in the third and a double in the seventh before singling home Lofton — his second four-hit game of the year.

Yankees 8, Angels 3: Dion James hit a two-run shot, in the fifth, one of four homers for New York, and Curt Young held California to five hits over eight innings in Anaheim.

California, as the Yankees ended a six-game losing streak and the Angels six-game winning streak.

Athletics 6, Tigers 2: Carney Lansford had four hits — including a career-high three doubles — drove in three runs, and even stole home as Oakland defeated visiting Detroit.

In earlier games, reports on which appeared in some Monday editions of the International Herald Tribune:

Brewers 6, White Sox 3: Greg Vaughn hit a two-run homer and Cal Eldred won in his first start of 1992 as Milwaukee won in Chicago.

Twins 7, Red Sox 5: Brian Harper capped a three-run seventh with an RBI single off Jeff Reardon as Minnesota rallied from a 5-0 deficit to beat Boston in Minneapolis.

CHESS

by Robert Byrne

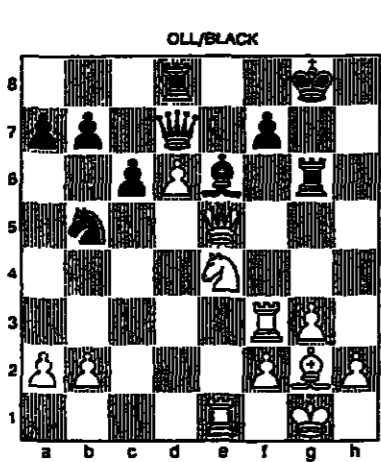
THE hypermodern style is to hold back, tempt the enemy to rush forward into what he wrongly believes is a over vacuum and then surround and destroy the unwarranted spearhead.

Considering that this strategy was developed shortly after World War I, it is surprising that it still claims many victims. You must assume that every experienced player knows what he wants, but all prey to miscalculation of the necessary tactics to achieve it.

The most recent worthy to stumble into the hypermodernist's web was the Estonian grandmaster Lembit Oll. In the second round of the Olympiad, which finished on June 25 in Manila, he advanced in a frenzy against Alexandre Lesiege of Longueuil, Quebec, and the alerted 16-year-old Canadian champion rushed him with high-powered play.

Given the formation that Oll chose against the English Opening, it would have been appropriate for him to continue with the modest and solid 4...g6 and ...b7, probably followed by 6...Nbd7. You can only guess why he charged in with his 4...e4? Either he overlooked that 7...ed would be answered by 9...e4, or he was too confident by 9...e4, or he was too confident by 9...e4, or he was too confident by 9...e4.

Lesiege began the punishment with beautifully timed forced marches, his 11...d1 hg 12.d6! smashing lines open against



Position after 27...Kg6

the black king. Oll tried to keep the position as closed as possible under the circumstances, but after 14...Bg5, he could not capture with 14...Qd6? because 15 Re1 kd7 16 Qg4 Kc7 17 Bf4 was the pinned queen.

Thus, 14...Bf5 15 Re1 Bc6 was forced, though after Lesiege's 16 Nc4! the situation was truly hopeless for Black.

On 18 Bf6!, Oll had to abandon all thought of castling and try to keep things together with 18...Kf8.

Against 21 Qd4, it would not have done any good to block with 21...f6. Lesiege could have proceeded with Re3 and Rael, creating the threat of Ng5 or Nf6 followed by the penetration of a rook to e7. But also after 21...Kf8, the same setup was just as powerful for White.

Oll obstinately kept playing with 27...Kg8, even though the obvious 28 Nf6 would win rook for knight, with a decisive advantage for White. But after Lesiege's annihilating 28 Rf1, to go any further would have been out of the question.

For example, 28...Rg7 (or 28...Kf8 29 Rg6 fg 30 Qh8 Kf7 31 Ng5mate) 29 Rh6! Qc8 30 Nf6 Kf8 31 Rh8 forces 31...Rg8! 32 Rg8mate. That elicited his surrender.

ENGLISH OPENING

Table with columns for White Lesiege, Black Oll, White Lesiege, and Black Oll, listing chess moves and piece positions.

BOOKS

CITY OF GOLD

By Len Deighton. 373 pages. \$20. HarperCollins Publishers, 10 East 53d Street, New York, New York 10022.

Reviewed by Michael Kernan

THIS is the first of four Deighton novels for which HarperCollins has paid \$10 million, to the extreme discomfort of the publishing world. One unnamed rival publisher said Deighton's books "are not likely to earn much more than \$1 million each." HarperCollins, of course, predicts that the deal will be a whopping success and notes that two other firms had tried to top their offer.

So the merchandising machine is beginning to roll. The Literary Guild has dutifully named "City of Gold" a main selection and everyone expects to make a bundle off the reading public.

As a faithful Deighton fan, going back 30 years to "The Ipress File," all I can say is, don't bother. The word that comes to mind with this book is: tired. Not to say Deighton phoned it in. He researched this tale of World War II Cairo in the shadow of the General Rommel's forces right down to the shiny buttons on the winter uniforms of the Egyptian police. He has read vintage Baedeker, studied old weapons catalogues and pored over photos of 1941 Cairo. But the stuff sticks out of the narrative like the encyclopedic Wild West scenery of Max Brand.

For years, critics have joked about Deighton's style in which, as one commented, "every third paragraph appeared to have been left out," an ingenious devious technique that left readers breathless as they raced through the pages. Ironic, droll and utterly convincing, those early thrillers actually thrilled. And they worked because they were carried by the unnamed narrator, an insolent Cockney immortalized on film by Michael Caine.

The problem here is that Deighton has attempted a Grand Hotel format with so many characters that the protagonist gets lost. When the story finally begins to take shape, Deighton shows flashes of his old self. The action scenes in the desert are as good as anything he has written. The McCurtin of this story is a classic bit of Deighton drollery: the Allied belief that a spy was feeding Rommel vital information when in fact the leak was a famous U.S. attaché in Cairo. The irony — revealed many years later — is that it was Rommel who was close in by intelligence, that is, the Enigma decoding machine, which enabled the British to sink all his shipments before they reached Africa.

I have no inkling what the other three Deighton books in the contract will be about. Perhaps he is wise to abandon the spy novel for the historical thriller. I would hate to see him go up against some truly contemporary spy fiction, so deeply felt and on-the-scene authentic. It would embarrass us all.

Michael Kernan, a former reporter for The Washington Post and now a Baltimore free-lance writer, wrote this for The Washington Post.

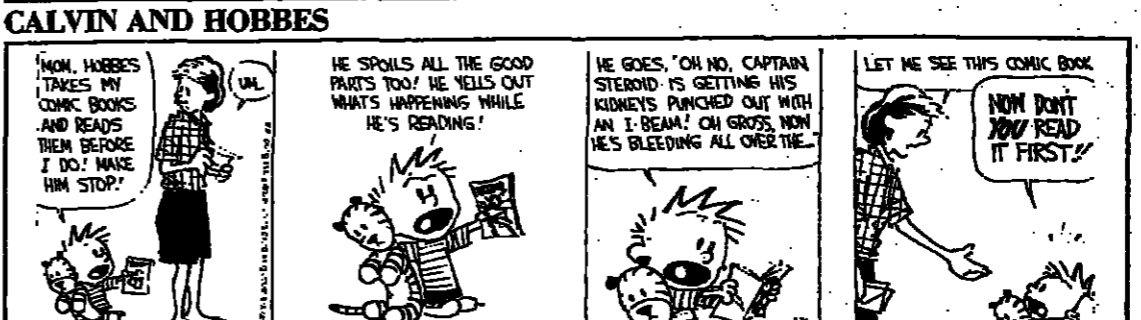
PEANUTS



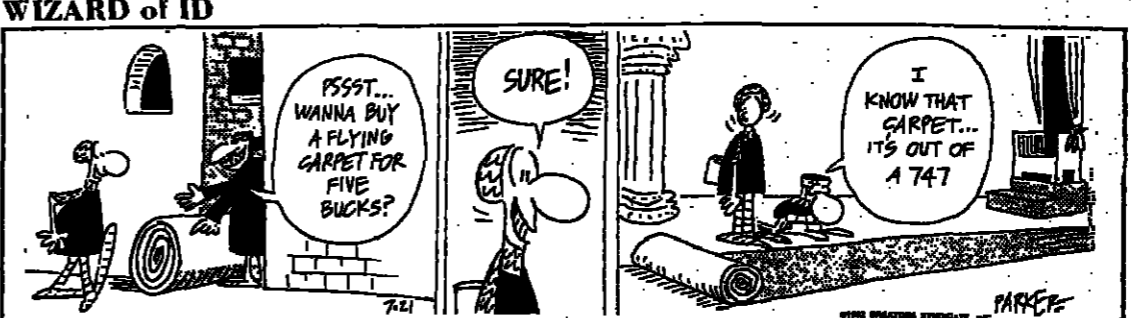
BEEBLE BAILEY



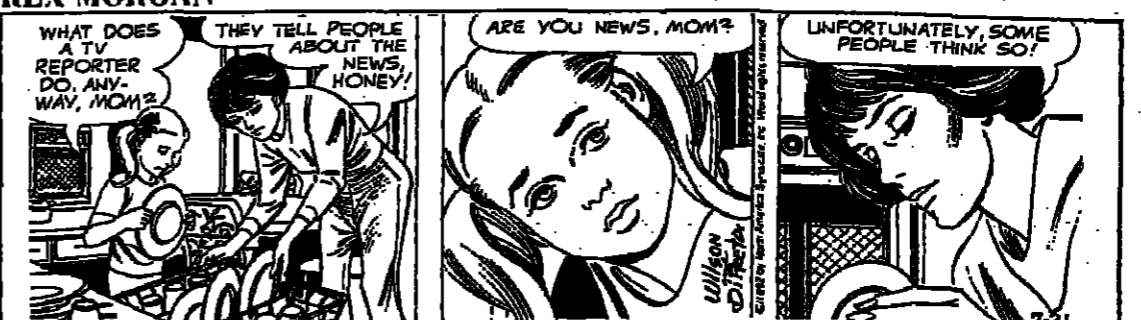
CALVIN AND HOBBS



WIZARD OF ID



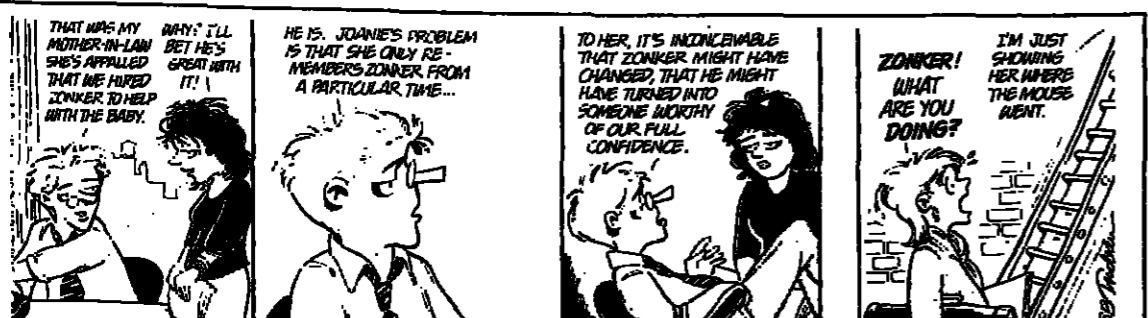
REX MORGAN



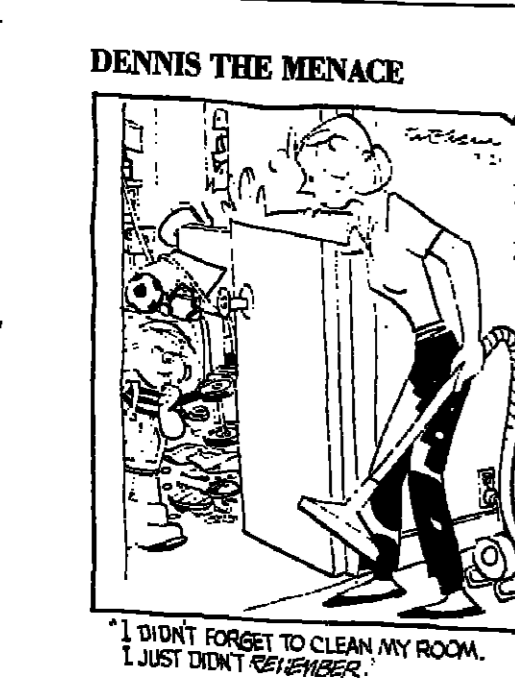
GARFIELD



DOONESBURY



DENNIS THE MENACE



JUMBLE

A word game section titled 'Jumble' with scrambled words and a grid for solving them.

Vertical advertisement on the right side of the page for 'SPO Professional Make Olym Jump Throu'.

A large table titled 'SCOREBOARD' containing various sports scores and statistics.

A small advertisement at the bottom right for 'Mis'.

SPORTS OLYMPICS

Professional Realities Make Olympic Games Jump Through Hoops

By George Vecsey
New York Times Service

BARCELONA — Sorry, all you kayakers paddling out there on the water. Gotta go check out Jordan's villa. Wish I could see the boat table tennis match, but there's the daily briefing on Bird's back.

All those wonderful characters who, like Bird, seemed to emerge from the mists every four years may never see the spotlight when the Summer Games begin this week. Everybody, from the fans to television executives to Olympic officials to the press, has good intentions of following the glory and the anguish of the fringe sports, but we must all keep an eye and a half on King Basketball.

Starting this week, the Olympics change irrevocably. For the first time, professional athletes are competing who are bigger than the Games, who have absolutely nothing to do with the Olympic movement as we used to know it. This time 12 professional basketball stars — if you count Christian Laettner, fresh out of Duke University — are going to represent the United States. They are among the most prominent athletes in the world.

This team will be the central focus. Can't help it. Will Magic Johnson have enough stamina after missing this season because he contracted the virus that leads to AIDS? Will it be Larry Bird's last stand because of his ailing back? Will Michael Jordan and Scottie Pippen and Clyde Drexler be fatigued from their long march to the National Basketball Association finals?

Will these million-dollar professionals crumblify the splintered teams from Eastern Europe? Will they bring home a gold medal? Will any of this average, defeat-by-cheating U.S. team received from the referees in the 1972 final or the crisp whipping the U.S. college players received from the Soviet Union in the 1988 semifinals?

Or maybe the past is irrelevant. The Olympic movement crossed what I was calling the Magic Line long before Johnson's health problems. That line consisted of inviting professionals who had their own championships that were bigger and richer and more important than the Summer Games.

Nobody should lament the old days when only the high-born or the wealthy or the fortunate could compete for medals. Money has opened up the Olympic movement to the best athletes in the world, and not a moment too soon.

It was refreshing to see skiers and sprinters get paid endorsement and prize and appearance money. It was realistic to acknowledge that the "amateurs" from the old Eastern Bloc were big-time athletes, but they did not make NBA fortunes from their sport. The Olympic Games still defined them. Their sporting careers depended on the Games.

Vantage Point

Duke University — are going to represent the United States. They are among the most prominent athletes in the world.

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For This U.S. Basketball Team, It's a Jolly Holiday

By Harvey Araton
New York Times Service

MONTE CARLO — David Robinson has cast his vote: He thinks the United States is far better off with the policy of using professionals to play basketball in the Olympics.

He wasn't sure, at first, but he has decided that it really is a simple matter. When Robinson asked himself if he is better off than he was four years ago, he looks around the gymnasium — at Michael Jordan, Magic Johnson, Charles Barkley, Patrick Ewing and, most of all, Chuck Daly — and the graduate of the U.S. Naval Academy almost wants to salute.

"I like this whole situation much better," said the one U.S. survivor from the 1988 Olympic team that helped create this celebrity fest by failing to win the gold medal in Seoul. "There's so much going on here and it's so much more stimulating."

"You're dealing with more mature players, much wiser. Here, the players dominate the game, the flow and even the strategy. On the floor, you can change as you go along. In college, you rely so much on the coach."

Forget the six-point, semifinal loss to the Soviet Union, as Robinson insists he has. It was no aberration and nothing to be embarrassed about. Despite excuses occasionally still heard that the coach then, John Thompson, didn't choose the right players in 1988, the fact is that he had, among others, Robinson, Danny Manning, Mitch Richmond and Dan Marjale. The truth is that the internationally tested, de facto European professionals had caught up to the American amateurs and there would be no turning back the clock.

But if it was time to include players from the National Basketball Association, then it was paramount, as Jordan pointed out, to appoint a head coach who was not going to impose a Thompson or a Bob Knight-like stranglehold on them.

Enter Daly, who named 52 Monday and blithely announced, "When you have a birthday outside the country it doesn't count and it reduces your total by one."

"When they first suggested pros coming to the Olympics, I reminded about my participation in 1984," said Jordan, the leading scorer on Knight's gold medal team in the Soviet-boycotted Los Angeles Olympics. "It was grueling, twice-a-day practices, sometimes three, plus film sessions. If that was going to be the case, there's no way I would have been here. Coach Daly assured me that there was going to be a lot of relaxation, a lot of fun."

Added the man who was attracting large crowds to the crap tables and who helped close the casino Monday at 4 A.M., "Basketball is fun because of the competition, but it's a lot more fun away from basketball."

During the Tournament of the Americas in Portland, Oregon, former player, coach and now broadcaster Doug Collins, in an interview with Bob Ryan of The Boston Globe, said the "Dream Team's" week on the French Riviera was just another sign of how basketball players are inheriting the earth.

When Collins played for Henry Iba's 1972 Olympic team, the practice site was Hawaii, but the team's headquarters was a barracks at Pearl Harbor and its off-court dress code of matching slacks and Hawaiian shirts made the players look like a cross between the Beach Boys and some parochial school class on a field trip.

By 1988, it wasn't much better, as Thompson, in preparing his team as if its mission was to subvert the governments of Eastern Europe, cloistered the players as he does at Georgetown University, more or less turning what should have been participation in an international festival into the Big Far East Tournament.

"Access to us was difficult," said Robinson. "It was just an air — you were either an insider or an outsider and outsiders didn't come in."

Here, as the Olympics draw near, the scrutiny grows with the basketball world so thrilled to have the heavyweights coming to its quadrennial convention. No one, not even Thompson's protégé, Ewing, who was greeting every question with a smile and an actual response — seems to mind.

Robinson and Ewing, the two 7-foot (2.13-meter) centers, are among the lesser noticed, which is more evidence of how this sport has evolved. Once upon a time, the star center struck an imposing figure that couldn't be missed. Here, as the Dream Team does the Riviera, the centers are a couple of tall fellows in the company of those capable of working magic and walking on air.

(Larry Bird scrimmaged Monday and said he would play in the sold-out exhibition game against the French national team Tuesday night, barring soreness or pain in his chronically ailing back.)

This, Robinson said, is how he prefers to play the Olympics. More enjoyment, less tension, not as much on the line.

"When you think about college guys playing in the Olympics, with so much money available in the pros, what if you get injured or your value goes down?" said Robinson. "It's dumb."

Michael Jordan turned coach for the players of the press after the U.S. Olympic basketball team's practice Monday in Monte Carlo.



Samaranch Warns IOC Monopoly Has Ended

Barcelona, July 20 (AP) — Juan Antonio Samaranch warned Monday that the days were over when the International Olympic Committee held a monopoly on the Games.

Welcoming his 90 IOC colleagues to his native city five days before the Games begin in Barcelona, the president of the IOC appealed to them to open the doors to a wider Olympic movement.

"Let me say here very clearly: The problems we face are very serious," Samaranch said as he opened the IOC's 99th session.

"But there are solutions. They will most certainly call for a re-examination of many of our convictions and hence of our very structures."

Samaranch's speech appeared to be the first shot in the only major political battle expected at the four-day session that begins Tuesday.

The executive board is to ask rank-and-file IOC members to let national Olympic committees and the international federations governing Olympic sports have a say in selecting cities to host the Games.

Samaranch said he had used special powers granted him in February to appoint two new IOC members: Primo Nebiolo, head of the International Amateur Athletic Federation, and Olaf Poulson of the International Skating Union.

"Through these appointments, I have sought to show how important it is, to my mind, for the major international federations to be part of our organization," Samaranch said.

"It is for us to ensure that the two great forces which, with us, make up the Olympic movement, can be fairly represented in our midst."

The effort to forge closer links with the sports federations is a direct result of a power struggle between the IOC and the increasingly powerful federations, especially Nebiolo's IAAF.

But the executive board proposal is not expected to pass easily, a two-thirds majority from a group unlikely to want to give away what it sees as the last vestige of its sovereignty.

Samaranch, who has been trying for a month to find a way to get Yugoslav athletes into the Barcelona Games, made no mention of that issue.

But he said the IOC was "particularly distressed by the suffering of the people of Sarajevo, host city of the Winter Olympic Games of 1984."

In other Olympic developments:

- World record holder Said Aouita has said injuries may force him to miss the Olympics, Moroccan state radio reported Monday.
- Interviewed in France, where he is training, Aouita said he would make a decision this week after consulting doctors about the injuries, which he did not specify.
- Aouita, 32, holds the world records at 1,500, 2,000, 3,000 and 5,000 meters.

Toll at 6

At least six people were killed and two injured in a fire that broke out Monday night in a London suburb.

The fire, which started in a house, spread to a neighboring building and caused the deaths of six people, including a child.

Firefighters arrived at the scene at about 11 p.m. and worked for several hours to contain the blaze.

The cause of the fire is still under investigation.

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Scoreboard

Major League Standings		
AMERICAN LEAGUE		
Team	W	L
Toronto	42	27
Baltimore	42	27
Milwaukee	42	27
New York	42	27
Detroit	42	27
Cleveland	42	27
West Division		
Minnesota	36	35
Oakland	35	36
Seattle	35	36
Chicago	35	36
Kansas City	35	36
California	35	36
Seattle	35	36
NATIONAL LEAGUE		
Team	W	L
Pittsburgh	41	28
Montreal	41	28
St. Louis	41	28
New York	41	28
Chicago	41	28
Philadelphia	41	28
West Division		
Cincinnati	34	34
Atlanta	34	34
San Diego	34	34
San Francisco	34	34
Houston	34	34
Los Angeles	34	34

Sidelines

Europe Finalists \$1.5 Million Richer
GENEVA (Reuters) — The eight finalists in last month's European Championship will each receive \$1.55 million as an advance payment from profits, UEFA announced Monday.

It said the money would be released immediately to Denmark, Germany, the Netherlands, Sweden, Scotland, England and France. The share due the CIS would be withheld until the team from the former Soviet Union gave details on how it was planned to distribute the money.

Yugoslavia, replaced by eventual champion Denmark because of UN sanctions, would be refunded \$548,000, which UEFA estimated as the cost of preparing for the tournament. UEFA said, without giving any figures, that part of the refund would be deducted from Denmark's share.

For the Record
Dennis Eckersley, who leads the majors with 30 saves this season, was given a two-year contract extension by the Oakland Athletics. No terms were given, but Eckersley, who turns 38 on Oct. 3, was in the free agent market for a two-year, \$6 million deal and eligible to become a free agent at season's end.

Jim Fregosi's contract as manager of the Philadelphia Phillies was extended Monday through the 1993 season. Fregosi, 50, replaced Nick Leyden on April 23, 1991, and led the team to a third-place finish. The Phillies are last in the National League East this season. 12 games out of first.

Davey Allison broke his right collarbone, two bones in his right arm and his right wrist Sunday when his car flipped 11 times during the Miller Genuine Draft 500 auto race at Pocono International Raceway in Pennsylvania.

George Arena, who in 1936 stepped into a professional wrestling ring as the first primping, platinum-haired villain named "Gorgeous George," and later battled others in court for rights to the name, has died at 84 in Boca Raton, Florida.

Tennis
Davis Cup
EURO-AFRICAN ZONE, GROUP TWO
Luzembourgo 3, Egypt 2
Johnny Guzman, Luzembourgo, def. Amir Ghannem, 4-3, 7-6 (5-4), 6-1; Tamer Samir, Egypt, def. Seror Bruck, 6-3, 3-1, retired injured.

Golf
MEXICO WORLD RANKINGS
1. Nick Faldo, Britain, 19.15 (points average); 2. Fred Couples, U.S., 18.91; 3. Jose Maria Olazola, Spain, 18.52; 4. Tom Weiskopf, Britain, 18.13; 5. Bernhard Langer, Germany, 18.01; 6. Greg Norman, Australia, 17.84; 7. Seve Ballesteros, Spain, 17.47; 8. Davis Love III, U.S., 17.42; 9. Paul Azinger, U.S., 17.32; 10. Tom Kite, U.S., 17.18; 11. Mark O'Meara, U.S., 17.17; 12. John Cook, U.S., 17.12; 13. Mark McNulty, Zimbabwe, 17.12; 14. Ben Crenshaw, U.S., 17.09; 15. Stuart Appleby, U.S., 17.08; 16. Bruce Lietzke, U.S., 16.82; 17. Chris Beck, U.S., 16.71; 18. Ian Baker-Finch, Australia, 16.71; 19. Corey Pavin, U.S., 16.64; 20. Masahiro Moriyama, Japan, 16.64.

Cycling
Tour de France
Benotto in Alcatraz's 19th stage, a 79-kilometer (123-mile) race from Bourges to Orléans in France. Benotto, 31, Franco Chioccioli, Italy, 28:40.4, 4 hours, 43 minutes and 40 seconds; 2. Oleguer Romo, Spain, 28:41.4, 4 hours, 43 minutes and 41 seconds; 3. Claudio Chioccioli, Italy, 28:42.4, 4 hours, 43 minutes and 42 seconds.

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ART BUCHWALD

Waiting for Perot

WASHINGTON — I thought that the Democratic convention had ended last week, so I was surprised on Monday to see a lone delegate sitting in Madison Square Garden. He was holding a balloon and shouting "Perot, Perot."



The Republicans have spent so much time figuring out what to do about Ross that they have given our boy a free ride. We've prayed every night that the little fellow wouldn't get derailed or flame out before election day.

"Democrats are known for backing the wrong horse."

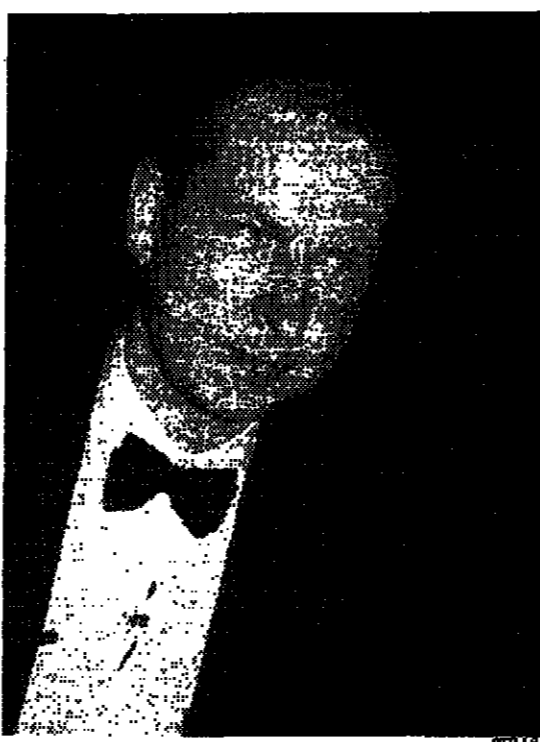
Ozawa to Launch A Classic Music Festival in Japan

PARIS — The Japanese conductor Seiji Ozawa will launch Japan's first major international classical music festival in September at Matsumoto. Ozawa's producers said here.

Going to the Edge With Lars von Trier

By Marc Fisher Washington Post Service

COPENHAGEN — You will listen now to my voice. Listen: My voice will help you and guide you deeper into Lars von Trier, the Danish director whose film "Zentropa" is a hypnotic train journey into the charred nightscapes of Germany after the war.



Filmmaker and seriously pretentious person von Trier.

allow myself to make Jewish jokes. I've been to concentration camps, Jewish cemeteries, always looking for some identity. And then it turns out I'm not a Jew.

will no longer do the American's bidding and walks out. "A few years ago, I'd laugh at the idea that people were trying to teach us anything in film," von Trier says.

You are shocked at the Director's retreat from rebellion. You know how deeply the film school crowd admires von Trier's nihilistic universe, how much they think of his innovative techniques — the floating bits of color that splash onto the black-and-white film, the split screens, the self-conscious use of back-screen projection.

PEOPLE

Where There's Smoke: New Job for Thatcher?

Reports that Margaret Thatcher, the former prime minister, may go to work as an international consultant for Philip Morris, the world's biggest tobacco manufacturer, has kicked up a fuss in Britain.

Maria Mapple's publicist, Chuck Jones, who is charged with stealing shoes from her bedroom, said he failed his client and her boyfriend, Donald Trump, miserably.

Romance made a welcome return to Britain's royal family over the weekend. Lady Helen Windsor, a cousin of Queen Elizabeth, was married to the art dealer Thea Taylor at Windsor Castle.

U.S. Rebound Will Soon Gain Steam The Fed Sa... Skeptical Democrats Urge Other Methods To Bolster the Economy

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